NEWS
Holes seen in Tinubu's tax czar's drive

TAIWO OYEDELE, CHAIRMAN of the Presidential Committee on Fiscal Policy and Tax Reforms set up by President Bola Ahmed Tinubu, is increasingly being seen by analysts as oscillating between wanting to see an increase in government revenue without...

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FINANCE & INVESTMENT
NGX endures bumpy ride in investors losses

NIGERIAN EQUITY INVESTORS HAD a bumpy ride on the floor of the Nigerian Xchange Group (NGX) as the market capitalisation of equities dipped to N55.39 trillion, in stark contrast to the previous week's impressive gain of N348.34 billion, which...

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COMMENT
NASD's boardroom intrigues need SEC

STRUGGLE FOR OWNERSHIP and control is brewing at the board of Nigeria's premier Over-the-Counter (OTC) Exchange, NASD PLC., sending horrendous signals that unless the Securities and Exchange Commission (SEC), wields a big stick to calm the...

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business a.m.

TOWARDS MORE EFFICIENT MARKETS

FRONT PAGE EDITORIAL
Limits of the sacrosanct sovereign national asset (2)

ONOME AMUGE
IN LAGOS, NIGERIA

LAST WEEK, the ninth summit and 2024 edition of Forum on China–Africa Cooperation (FOCAC) was held in Beijing. It was another gathering of African political leaders attended by all African countries except one – that is Eswatini (formerly known as Swaziland). The reason for Eswatini's lack of interest in FOCAC is based on its recognition of Taiwan as a sovereign nation, a position that China strongly and strictly rejects. By implication, all the other 53 countries care less about Taiwan's status with respect to its diplomatic relations with China. Looks fine, right? That could be explained away by other African countries who see nothing wrong with trading away their own sovereignty, whether by loan default or by breach of mutual agreements.

In the previous summit, held in Dakar, Senegal, in 2021, China announced its outward vision and agenda for China-Africa relations for another three years, with the long and winding theme to "Deepen China-Africa Partnership and Promote Sustainable Development to Build a China-Africa Community with a Shared Future in the New Era." In Senegal, the quantitative reduction of China's financial commitments from $60 billion in 2018 to $40 billion was evident that year. This year, however, another commitment has been made for Africa in Beijing. Although China pledged $50.7 billion to Africa over three years in credit lines and investments, it made no commitment on debt relief. Participants

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Petrol holds Nigerian economy hostage as crisis disarms officials

- Price hikes destabilise businesses, homes
- Scarcity drives managers, consumers nuts
- Economy disconfigured by petrol crisis


L-R: Wang Wei, group director, rice industry division, Yihai Kerry Arawana Holdings Co Limited; Governor Babajide Sanwo-Olu of Lagos State; Oluwarotimi Fashola, special adviser to the governor on agriculture (Rice Mill initiative); and Prashant Trikha, group head, rice, Wilmar Group, during the signing of a MoU between Lagos State government and Yihai Kerry Arawana Holdings Co. Limited to increase the rice value chain within Lagos, held in China recently.

ONOME AMUGE IN LAGOS, NIGERIA

THE NIGERIAN ECONOMY is in a hostage situation and petrol, the product from fossil fuel that both government officials and a less discerning general public like to call premium motor spirit (pms), is armed to the teeth and doing the economy, businesses, the heads of managers, and the general public in.

The decades long crisis caused by petrol has boiled to a crescendo in a little over a year following the inauguration of President Bola Ahmed Tinubu's government on May 29, 2023 when he unceremoniously and in a non-policy based pronouncement announced "subsidy is

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TRAVELLER & HOSPITALITY
Nigeria to concession 4 int'l airports
NIGERIA IS ALL SET TO PUT FOUR of its busiest international airports – Murtala Muhammed International Airport (MMIA) in Lagos, Nnamdi Azikiwe International Airport (NAIA) in Abuja, Mallam Aminu Kano...

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TECHNOLOGY & INNOVATION
NCC grip on telcos tightens
THE NIGERIAN COMMUNICATIONS COMMISSION (NCC) has issued new stringent Quality of Service (QoS)...

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Nigerians await fresh textile revamp
THE NIGERIAN TEXTILE industry, once a cornerstone of the country's economic strength, has suffered a steady decline over the years, leading to an...

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VISIONARY VOICES
Emissions Targets in Developing Countries

BUENOS AIRES – Despite committing to nationally determined contributions (NDCs) in the 2015 Paris climate agreement to limit global warming, countries have struggled to meet their emissions-reduction targets. This is particularly true for developing countries, where pressing economic and...

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EXECUTIVE KNOWLEDGE SERIES
Access to Drugs: Role of Supply Chain Risk


A simple way of thinking about medical criticality, supply chain risk and their interactions can lead to more sustainable solutions for drug shortages.

When pharmacists in France walked out of their counters en masse and went into the streets on 30 May, it was not just about their compensation and prospects. Their strike ...

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Petrol holds Nigerian...

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gone" triggering an avalanche of economic upheavals that have refused to go away.

The Bola Tinubu administration, once afloat on a sea of 'Renewed Hope' promises, has found itself adrift on choppy economic waters. Instead of charting a course to prosperity, the country's economy has become the Titanic of the African continent, with each passing week delivering an iceberg of economic disaster.

While President Tinubu was abroad seeking to deepen economic partnerships with China, Nigeria found itself thrown into a historic fuel crisis at home. With the president, who also serves as the minister of petroleum resources absent, the nation's oil sector was left vulnerable, and the country reeled from shortages and soaring prices.

The removal of petrol subsidies by President Tinubu dealt Nigerians, businesses and the economy a hard blow, but the worst was yet to come. As citizens struggled to adjust to the new reality, petrol prices escalated recently, from N600 to upwards of N900 per litre and above at fuel stations across the country, including those operated by the state-owned Nigerian National Petroleum Corporation Limited (NNPCL).

The economic troubles of the NNPCL had a devastating ripple effect throughout the nation's economy. The revelation of a $6 billion debt to its suppliers led to a major disruption in fuel supplies, with the state-owned oil giant finding itself in the midst of a rapidly deteriorating situation. As petrol deliveries fell short of demand, Nigerians found themselves facing a crippling fuel shortage that lasted for more than a month, the effects of which were felt across the entire country.

A recent investigation by Business a.m. found that petrol stations in Lagos and across several states in Nigeria were charging over N1000 per litre for fuel, adding to the chaos of an already severe fuel crisis. As the situation deteriorated, black market operators wasted no time in exploiting the desperation of Nigerians, hawking petrol on the streets for as high as N1,300 per litre.

The Dangote Refinery, intended to herald a new era of economic growth in Nigeria, recently declared its readiness to release products to the market, a moment that should have been cause for celebration. Instead, the news was met with mixed emotions as many Nigerians began to question the refinery's ability to alleviate the nation's longstanding fuel crisis.

Amidst the ongoing struggles with scarcity and price hikes, the Dangote Refinery's promise of economic prosperity has been greeted with cautious optimism, leaving Nigerians wondering if the much-anticipated project would be the game-changer they had been promised.

On its part, the NNPCL, has clarified that the petrol lifting from the Dangote Refinery, set to begin on September 15, may not result in lower fuel prices for Nigerians.

Addressing the expectations for the upcoming petrol lifting from the Dangote Refinery, Olufemi Soneye, NNPCL's chief corporate communications officer, stressed that the global market ultimately dictates the pricing of petroleum products, including those from the new refinery.

As a consequence, doubts remain about the Dangote Refinery's capacity to fully meet the nation's fuel demands and alleviate the ongoing fuel scarcity and price hikes.

President Tinubu, in response to the recent petrol price hike, stated that the increase was part of tough decisions necessary for economic progress.

The president, who made the remark during a meeting with Nigerians living in China, explained that the move was part of his administration's plan to build a solid foundation for long-term economic growth.

President Tinubu, in a statement issued by his former spokesman, Ajuri Ngelale, stated, "Nigeria is going through reforms, and we are making bold, unprecedented decisions. For instance, you may have heard about the recent changes in fuel prices back home."

The president further emphasised the importance of bold decision-making for the country's growth, asserting, "How can we achieve progress if we shy away from making difficult choices? The more we demand things for free, the costlier and more delayed real development becomes."

The fuel crisis, a catalyst for widespread public unrest, has shone a harsh spotlight on the nation's economic vulnerability, galvanising labour unions, civil society organisations, and everyday citizens alike in a common outcry for a strong, effective leadership in a resounding call for decisive, capable leadership to guide the nation out of the chaos as it seems the current administration is lost in a fog of confusion on how to bring stability to the troubled economy.

For businesses in Nigeria, the times are as dark as the clouds on the economic horizon. From small startups to multinational corporations, businesses are feeling the painful squeeze of energy costs and government reforms that appear to be working against them. For some companies that have weathered the storm for years, the recent fuel price hike feels like a fatal blow that could spell the end of their struggle for survival. In a country where the climate is already hostile for businesses, this latest challenge seems to be the final nail in the coffin for many.

The ripple effects of the recent petrol price hike have left families and businesses in Nigeria reeling, as they contend with the harsh realities of a skyrocketing cost of living amidst the rising tide of public discontent.

In the face of rising fuel prices and the economic strain this is causing Nigerians, the Nigeria Labour Congress (NLC) has taken a strong stance against the new petrol price regime, rejecting any government actions that could exacerbate the country's hardships.

L-R: Ade Adefeko, director, corporate regulatory affairs, Olam Agri; Oluwatomi Eromosele, general manager, EFina; Olaniyi Yusuf, chairman, NESG; Sade Morgan, corporate affairs director, Nigerian Breweries plc; Tayo Aduloju, chief executive officer, NESG; and Sadiq Kassim, director, corporate affairs, TGI Group, at the Nigerian Economic Summit Group (NESG) State of The Nigerian Economy Half Year-2024, Review and Medium-Term Outlook Panel on Food Security, recently.

Following a virtual National Executive Council (NEC) meeting, the NLC released a statement calling for an immediate reversal of the recent petrol price hikes.

The union, representing millions of workers across the country, demanded that the government halt any further increases in petrol prices, citing the deepening hardships faced by Nigerians and the threat of widespread unrest if the situation is not resolved.

The union, in a communiqué signed by its president, Joe Ajaero, reaffirmed its opposition to any hidden plans to increase the price of petrol. The NLC's National Executive Council, representing the workers and unions under the NLC umbrella, implored its members and all Nigerians to remain alert and ready to defend their rights against any such action by the government.

The NLC expressed concerns about the intentions of the state, pointing to the possibility of further price hikes and increased suffering for Nigerians. The labour movement pledged to stand firm in its fight for justice, fairness, and the rule of law, emphasising its commitment to resisting any attempts by the government to exploit the masses through concealed price increases.

"The Nigeria Labour Congress (NLC) remains committed to defending the rights and interests of Nigerian workers and the broader society. We will continue to stand firm against any attempts to undermine the Labour movement or infringe upon the rights of our leaders and members. We urge our Civil Society allies to continue increasing their support as we mobilise to nip the present incipient danger and undemocratic actions against our nation in the bud. A people united, can never be defeated! Workers united, can never be defeated," the NLC communiqué read.

On its part, the Lagos Chamber of Commerce & Industry (LCCI) underscored the severe impact the recent fuel price hike would have on businesses across Nigeria, citing its negative effects on all aspects of commercial activity, from supply chain logistics and transportation to power generation and factory operations.

Chinyere Almona, the LCCI's director general, in a statement warned of dire consequences for businesses in the wake of the petrol price hike.

Almona predicted that the cost of doing business would soar, leading to a surge in product prices. She also noted that faced with weakened consumer purchasing power, many firms would be forced to shut down, resulting in significant job losses. The ripple effects of the petrol price hike, Almona predicted, would have a wide-ranging and devastating impact on the economy, with businesses bearing the brunt of the crisis.

Despite the NNPC's precarious situation and the mounting debt owed to suppliers, the Lagos Chamber of Commerce & Industry expressed cautious optimism regarding the Dangote Refinery's fuel and diesel production as a potential means of mitigating the severe impacts of the fuel crisis.

"This game-changing intervention could restore some stability to the oil and gas sector, which has been grappling with significant distortions this year," the chamber stated.

In light of the fuel crisis in Nigeria, the LCCI advocated for a long-term, sustainable solution to mitigate the country's reliance on imported fuel and ensure stability in the local economy. The chamber proposed the development of additional local refineries to process Nigeria's crude for local consumption and enhanced export across Africa as a vital step forward.

The LCCI stated further: "As an immediate intervention, it would be beneficial for the Port Harcourt Refinery to commence operations alongside production from the Dangote Refinery.

"Given the current challenges with importing refined fuel, relying on local production may be the most viable option at this time.

"We recommend sustaining local supplies, with the expectation that demand will eventually align with supply, leading to equilibrium pricing across various sources."

In response to the fuel crisis, the Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA) urged the federal government to engage in open and constructive dialogue with key stakeholders, including the private sector and organised labour, to find a feasible solution that takes into account the concerns raised by the recent price hike and its potential impact on the economy.

In a statement issued by Dele Oye, the national president, NACCIMA, the association expressed deep concerns over the recent hike in petrol prices at NNPC stations across the country.

"While we understand the complex factors that can influence fuel prices, such as global oil market dynamics and exchange rate fluctuations, we are troubled by the lack of prior notice and clear explanations provided by the government and the NNPC regarding this development.

"The timing of this price hike is particularly concerning, as it has the potential to further exacerbate the impact on businesses and consumers, especially the vulnerable segments of the population and those on fixed incomes, who are still adjusting to the recent increase in the national minimum wage," NACCIMA stated.

Recognising the need for greater transparency in the management of Nigeria's oil sector, NACCIMA stressed the importance of public confidence in the state-owned NNPC. The chamber called on the authorities to provide clarity regarding the conflicting statements on the NNPC's profitability and financial obligations.

In doing so, NACCIMA underscored the need for transparency and accountability in the NNPC's operations, noting that these values are essential for building trust between the government, the private sector, and the Nigerian people, especially in light of the ongoing fuel crisis.

FRONT PAGE EDITORIAL

Limits of the sacrosanct...

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on China's pilgrimage thus need to ponder over the nature of relationship with China, which tends to portray China as benevolent.

There is no doubt that the times of reckoning would come for all beneficiaries of China's supposed benevolence. That time, long grammar and well-worded themes won't work. The only operational language is that of recovery by any means possible. That recovery could be one of debts or damages arising from breached contracts. The leaders of African countries that routinely travel to China like a flock of sheep for FOCAC may need to be asked if they could muster enough confidence, courage and patriotic concerns to convene similar meetings at Addis Ababa or elsewhere for conferences involving common causes, common destinies and common prosperity.

Countries within and outside Africa have had experiences with China on trade, debt and contractual agreements. The Nicholas Ossai legislative panel of the House of Representatives Committee on treaties, protocols and agreement during Buhari's second term dealt with due diligence over some loans in 2020. It was meant to forestall national embarrassment when China came calling for loan repayment. It has not even got to that of loan repayment when another entirely different bilateral dealing prompted China to go for broke, particularly caring less how its action might have affected people's perception about its extreme shrewdness. The attachment and seizure of Nigeria's strategic sovereign national assets recently needs no further elaboration.

In South Asia, Sri Lanka had a taste of China's business approach. China's finance of the Hambantota

Continues on page 4

SEC to crack down on illegal practices in capital market

Business a.m.

THE SECURITIES AND EXCHANGE COMMISSION (SEC) has issued a stern warning to all market participants, stating its determination to use the full force of the law against any individual or entity that engages in activities that violate the established regulations of the capital market.

Emomotimi Agama, the director-general of SEC, in a statement presented at the weekend, reaffirmed the commission's dedication to safeguarding the interests of investors, including those in the crypto market.

"We are certainly going to commence enforcement actions on anyone who wants to operate in this market and does not have the intention of being regulated. This also applies to those in the crypto space. We are sending this signal to all those that want to play by the books that they are welcome to our space. But for those that do not want to play by the books, of course we definitely will not allow them to operate within our space," the SEC DG stated.

Agama disclosed that the recent decision to grant Approval-in-Principle to two crypto exchanges was made in recognition of the growing interest among Nigerian youths in the digital space.

Clement Osei-Amoako (right), president, Ghana National Chamber of Commerce and Industry (GNCCI), presenting souvenir to Dele Kelvin Oye, president, Nigerian Association of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA), after signing a Memorandum of Understanding (MoU) to strengthen business collaboration and boosting bilateral trade between the two countries, on the sidelines of the Diaspora Conference (DACON) in Ghana.

Agama reiterated that the SEC's primary responsibility is to protect investors, noting that the commission's move was motivated by a desire to provide much-needed clarity, regulation, and investor protection in the rapidly expanding and often complex world of digital finance.

He stated further: "All this we seek to do without hindering innovation because part of our primary responsibility as the SEC is market development and we are aware that Mr. President is very interested in youths and the activities of youths."

Emphasising that young people constitute the majority of individuals involved in the digital finance space, Agama stressed the importance of providing a well-regulated environment for these individuals.

The SEC DG noted that the commission's main responsibility is to provide guidance, clarity, and the necessary knowledge to ensure a safe and secure digital finance ecosystem for these individuals. He also explained that the commission's recent move was a direct response to this responsibility, underscoring its commitment to providing a regulated space that protects investors in the digital finance space.

"It is important to understand that being the apex regulator of the capital market, we follow international guidelines and one of which is about disclosure. Full disclosure and making sure that they meet the Anti-Money Laundering and Combating the Financing of Terrorism reports and making sure that disclosures are made to investors and also education is important as well as a guided regulatory space," he stated.

Agama reiterated the commission's determination to protect the Nigerian population from attempts to misguide and exploit them. Based on this, he emphasised the importance of monitoring the activities of crypto exchanges to prevent them from negatively impacting the national economy.

According to the SEC DG, providing clarity and understanding of the digital finance ecosystem is imperative to ensuring that all market participants comply with the rules and regulations, which are designed to promote investor protection, market integrity, and sustainable economic growth.

Agama concluded that securities regulation is a knowledge-based discipline, adding that the SEC is committed to providing its staff with the best possible education to ensure they are equipped to carry out their duties effectively.

Aig-Imoukhuede Foundation, EDSPHCDA, HealthPort, boost oxygen access in Edo State

Business a.m.

THE AIG-IMOUKHUEDE Foundation has entered into a tripartite Memorandum of Understanding (MoU) with the Edo State Primary Health Care Development Agency (EDSPHCDA) and HealthPort Limited to expand access to life-saving oxygen, in a bid to improve the overall quality of healthcare in the region.

The EDSPHCDA is the state government's arm responsible for providing primary healthcare services to the people of Edo State.

HealthPort, on the other hand, is a health-tech company whose primary focus is to enhance access to high-quality medical care by leveraging innovative digital solutions.

The Aig-Imoukhuede Foundation, in a statement, provided further insight on the partnership titled 'Oxygen as a Service.'

The foundation explained that the initiative aims to increase access to oxygen therapy across primary healthcare centres and other essential facilities in Edo State. The initiative, according to the foundation, will augment its ongoing efforts to revitalise primary healthcare centres in the state under the 'Adopt-a-healthcare-facility-programme' (ADHFP).

Bukky Akinsemoyin, the director of funding and partnerships at the Aig-Imoukhuede Foundation, expressed the foundation's delight in collaborating with EDSPHCDA and HealthPort on the initiative to boost access to oxygen therapy across primary healthcare centres and other essential facilities in Edo State.

"Our shared vision of enhancing access to quality primary healthcare forms the bedrock of this collaboration," she stated. Akinsemoyin disclosed that the Aig-Imoukhuede Foundation is currently revitalising 18 primary healthcare centres (PHCs) under the ADHFP to provide affordable and reliable healthcare services to vulnerable populations.

She pointed out that the Oxygen initiative was consistent with the foundation's broader goal of fostering innovative healthcare solutions across Nigeria by leveraging private sector resources. According to her, the partnership's objective is to ensure that patients at the PHCs have seamless access to oxygen therapy, which is often a crucial component of their medical care.

The Aig-Imoukhuede Foundation director also noted that the initiative would remove the need for patients to travel long distances to obtain oxygen therapy, a move that is expected to greatly enhance the healthcare experience for patients in Edo State.

Tinubu leads Nigeria to 3rd largest World Bank IDA debtor with $2.2bn loan

Business a.m.

NIGERIA HAS EMERGED the third most indebted nation among the borrowers of the World Bank's International Development Association (IDA) as of June 30, 2024, a development that highlights the increasing reliance of Nigeria on external financing.

Under the leadership of President Bola Tinubu, Nigeria's financial circumstance has witnessed a significant shift, with the country's exposure to the World Bank's International Development Association (IDA) experiencing a substantial increase.

According to the World Bank's recent financial statements, Nigeria's indebtedness to the IDA has climbed by 14.4 percent, from $14.3 billion in the fiscal year (FY) 2023 to $16.5 billion in FY2024.

As Nigeria entered the fiscal year 2024 (FY 2024), spanning from July 2023 to June 2024, the country's reliance on external financing from the World Bank increased significantly, receiving at least $2.2 billion from the institution. This development, occurring during President Tinubu's administration, underscores the growing dependence of the country on international financial support, particularly from the World Bank.

The World Bank pointed out that the $2.2 billion debt that Nigeria has accrued from the International Development Association is distinct

from any other outstanding loans Nigeria may have with the IBRD, a different branch of the World Bank.

Meanwhile, Bangladesh remains the largest borrower from the World Bank's IDA in both 2023 and 2024. This is as Bangladesh's exposure to IDA increased from $19.3 billion in 2023 to $20.5 billion in 2024.

Following Bangladesh in the rankings of IDA debtors is Pakistan, which maintained a stable exposure of $17.9 billion to the World Bank's International Development Association in both 2023 and 2024.

Meanwhile, India, previously the third-largest debtor with $17.9 billion in 2023, saw its IDA exposure decrease to $15.9 billion in 2024, allowing Nigeria to overtake it as the third-largest debtor with $16.5 billion in FY2024.

Kenya and Vietnam both carry IDA debts of $12 billion, placing them as the eighth and ninth largest IDA debtors, respectively.

Joining Kenya and Vietnam among the top ten IDA borrowers are Tanzania, Ghana, and Uganda, who collectively owe $12.2 billion, $11.7 billion, and $9.2 billion to the World Bank's International Development Association, respectively.

These top ten debtors account for 63 percent of IDA's total exposure as of June 30, 2024.

The World Bank's International Development Association is considered a vital instrument for promoting sustainable development in the world's poorest countries. By providing low-interest loans and grants to eligible member nations, the IDA assists in bridging the funding gap required to finance vital infrastructure, health, education, and other social projects that aim to improve living standards and reduce poverty.

Under President Tinubu's administration, Nigeria has reportedly secured a total of $4.95 billion in loans from the World Bank, despite mounting concerns over the country's rapidly escalating external debt servicing costs.

Although only about 16 percent of these new loans have been disbursed thus far, the World Bank is poised to potentially approve four additional loan projects worth approximately $2 billion, further escalating Nigeria's debt to the institution.

Limits of the sacrosanct...

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port through a loan agreement with Sri Lanka was one from which Sri Lanka learnt a hard lesson too late as it had to cede the same port, a national strategic asset, to China. That alone gives China a place for proxy military and commercial activities. Some don't see the nuanced colonial base. In retrospect, Ossai's concerns on the China loan was justified as the vulnerability of Zambia to China on account of sovereign loans became evident. The railway projects for which Nigeria took loans may well have become China's asset if nothing had stopped it, just as China Exim Bank clarified in 2019 that it now has full control over Kenneth Kaunda Airport, Zambia's main broadcasting corporation, and ZESCO power plant, the country's main public electricity utility. It is therefore of interest to know how veritable China's claims of "no strings attached" on loans is.

In a bilateral trade relationship in which the trade benefits are skewed towards China, it makes more sense for Nigeria and other African countries to be aware that China seeks to use FOCAC to counter growing competition in Africa from the United States, the European Union, Japan and others. Countries that are led by patriotic leaders will have no difficulty in recognising that feasibility studies on projects funded with Chinese loans are often shoddily done and many are poorly packaged projects, doomed to failure; yet they pass China's loan disbursement tests. A true measure of the benefits from Nigeria's attendance of FOCAC will be how much of a trade surplus Nigeria was able to achieve from the summit. It might also be of interest to know if Nigeria's president was able to meet and persuade China's President Xi Jinping to authorise the release of Nigeria's sovereign assets seized outside Nigeria recently.

Analyst picks hole in Tinubu's tax czar's revenue driven tax reforms

- Tax reforms necessary to optimise revenue collection
- Ensure the wealthy and corporations pay their fair share
- But a tax revolution is not the solution

Phillip Isakpa

TAIWO OYEDELE, CHAIRMAN of the Presidential Committee on Fiscal Policy and Tax Reforms set up by President Bola Ahmed Tinubu, is increasingly being seen by analysts as oscillating between wanting to see an increase in government revenue without raising taxes and his recent doubling down on raising the rate of value added tax from 7.5 percent to 10 percent.

In June, an upbeat Oyedele, appearing on a television programme said he was optimistic that Nigeria did not need to impose new taxes to raise revenue and advocated better tax administration and the use of technology to close the estimated N20 trillion tax gaps.

"We have over 60 different taxes and levies but haven't collected enough to adequately fund infrastructure like roads," he said, before adding, "Instead of introducing new taxes, we advocate consolidating and harmonising existing ones."

He said then that "by identifying those who should be paying but aren't, we can potentially double our revenue within two to three years".

But analysts are beginning to suggest that Oyedele appears to have shifted slightly from that position with his recent doubling down on his wide ranging proposal to overhaul VAT including an increase in the rate.

Abiodun Ihebuzor, who is an institutional reform facilitator and also a farmer, told business a.m. in a note in response to the Oyedele's new push, that while the reform ideas seem conceptually brilliant, she said "no idea is perfect, and the concerns on tax reforms should not be driven by innovation in IGR [internal revenue generation] growth."

"Who will tell 'the king and his advisers' that we are naked?" Ihebuzor asked.

L-R: Femi Adegoke, member, board of trustees; Wole Eperokun, alternate chairman, 2024 Kingsweek Planning Committee; Ali A Agada, principal King's College, Lagos; Tonye Cole, chairman, 2024 Kingsweek Planning Committee; Leke Oshunniyi, president, King's College Old Boys' Association; Jani Ibrahim, chairman of the School Based Management Committee; Busuyi Onabolu, member, board of trustees, during the press conference announcing the 2024 Kingsweek event, at the KCOBA Secretariat, King's College, Lagos, recently

According to him, Nigeria's fiscal conundrum is often misconstrued as a revenue problem when, in fact, it is an expenditure problem. "The country's revenue base is substantial, with a GDP of about $400 billion or more and a diverse economy. However, the issue lies in the inefficient allocation and utilisation of resources," he said.

Ihebuzor explains further: "As the saying goes, 'it's not how much you make, but how much you spend.' Nigeria's government expenditure pattern is characterised by a high recurrent expenditure, accounting for over 70 percent of the budget. This leaves a meagre 30 percent for capital projects, essential for driving economic growth and development.

"Furthermore, weak institutions and corrupt political elites are exacerbating the problem. They create a culture of extortion and embezzlement, where a significant portion of revenue is lost to corruption rather than being utilised for the benefit of citizens.

"Take, for instance, when Elon [Musk] paid his tax, was it embezzled or stolen as is the case in this clime?" Ihebuzor asked, rhetorically.

According to the policy reform expert, tax reforms are necessary to optimise revenue collection and ensure the wealthy and corporations pay their fair share, but added that a tax revolution is not the solution. "A gradual and structured approach to tax reform is needed rather than a radical overhaul that could destabilise the economy," he said.

He stressed the point about the necessity for wide consultation in handling public policy reforms, noting that "public and private policy reforms without broad consultative mechanisms are devoid of inclusion principles and perpetuate a corrupt fiscal system. It's like trying to fix a car without consulting the mechanic – you'll only end up causing more damage," the policy expert said.

Commenting on Oyedele's recent attempt on television to explain the committee's work and President Tinubu's tax agenda in relation to revenue generation and the economy, Ihebuzor said it was tempting not to commend Oyedele's ideas as presented, but added that it was "more tempting to commend the ideas with existing knowledge and reality of broken trust between citizens and government."

According to the policy expert, "the speed at which the new fiscal and tax revolution agenda is done can only be likened to the passing of the new national anthem law."

He is angry that in Nigeria "corrupt political elites merge with fraudulent intellectual elites to tweak institutions and systems in their favour using misleading information and skill in fallacies.

"In an era where politicians and government officials are extortionists, caution is necessary to avoid creating an environment that encourages corruption and exploitation. Transparency, accountability, and a fair tax system that promotes economic growth and development are essential," Ihebuzor emphasised.

To Ihebuzor the way forward is to recognise that Nigeria's fiscal challenge is an expenditure problem, not a revenue problem, and she suggests that addressing inefficient resource allocation, optimising revenue collection by blocking the leakages is one way, if true, through this tax reforms, and ensuring transparency and accountability in government spending are crucial.

"Strengthening institutions, addressing corruption and extortion by political elites, and involving broad consultative mechanisms in policy reforms are vital to unlocking the country's full economic potential," he added.

Ihebuzor warned that without inclusive policy reforms, noting that Nigeria would only just be "rearranging the deck chairs on the Titanic - it's a recipe for disaster. Let's get it right this time and build a fiscal system that works for all Nigerians, not just the corrupt elite."

King's College Old Boys rally for a secure Nigeria by 2030 at Kingsweek 2024

Onome Amuge

THE KING'S COLLEGE OLD BOYS' ASSOCIATION (KCOBA), an organisation committed to fostering a strong sense of community among King's College Lagos alumni and strengthening the institution's influence and reputation, has reaffirmed its dedication to addressing the diverse and complex security issues facing Nigeria.

In its continued efforts to promote progress in the country, the association has set its sights on contributing to the realisation of a secure Nigeria by 2030 through various initiatives aimed at mitigating the threats posed by insecurity and promoting peace, stability, and development throughout the country.

To this end, Leke Oshunniyi, president of the King's College Old Boys' Association and the association's executive committee have announced a lineup of events for the 115th Founders Day Anniversary of King's College Lagos, known as Kingsweek 2024.

Under the theme "Achieving a Secure Nigeria by 2030", this year's Kingsweek, scheduled from September 16 to September 22, 2024, will feature a series of engaging and thought-provoking events focused on addressing the critical security challenges facing the nation

In his address at a press conference announcing the event, Oshunniyi underscored the relevance of the event theme in light of the pressing national security concerns facing the most populous African country.

The KCOBA president noted that Nigeria's development is being hindered by multifaceted security challenges, and highlighted the significance of the Kingsweek in leading discussions and promoting actionable solutions that can help address these challenges and build a more secure and prosperous future for Nigeria.

Oshunniyi further highlighted the pressing need to address a diverse range of security issues, including social, financial, national, information, and energy security, as reflected in the Kingsweek theme.

"These issues are critical to the nation's sustainability and future growth, and the KCOBA is taking this opportunity to engage thought leaders, alumni, students, and the broader public in meaningful conversations on how to secure Nigeria's future," he stated.

Business a.m gathered that the Kingsweek 2024 will offer a variety of events, both online and in-person, with the goal of creating a forum for discussion, celebrating achievements, and enhancing connections among members of the King's College Old Boys' global community. The diverse schedule of events is set to include a mix of activities aimed at promoting a deeper understanding of the multifaceted security issues facing Nigeria and exploring potential solutions, as well as opportunities for the Old Boys to reconnect, share memories, and celebrate the institution's rich history. The Kingsweek event commenced on Monday, 16th September 2024, with a virtual conference (hosted online via Zoom), kickstarting a series of events that are set to take place over the course of the week.

The 2024 Kingsweek virtual conference brought together members of the global King's College Old Boys' community, along with local participants, to discuss the security issues confronting Nigeria and to explore potential strategies for addressing these challenges.

The Kingsweek virtual conference, moderated by Moses Nasamu, featured a panel of distinguished experts in the fields of energy, security, and education.

The panel included Muyiwa Oyinlola, director of energy and sustainable development at De Montfort University, UK, who brought his expertise in sustainable energy to the conversation. Fola Aina, an associate fellow at the Royal United Services Institute (RUSI), London, United Kingdom, and a fellow at the Joint Special Operations University (JSOU), Florida, U.S.A., also contributed his insights on security and defence.

The Kingsweek schedule for Thursday, 19th September 2024, will feature the Back to School Day, an event dedicated to strengthening the bond between current and former King's College students and staff. On this day, KCOBA members will return to their alma mater, giving them the opportunity to reconnect with the current student body and staff, as well as to commission various projects funded by alumni over the year.

The event also offers an opportunity for the KCOBA Executive Committee and the School-Based Management Committee (SBMC) to commission various projects funded by alumni throughout the year.

Later that day, the association will play host to The Future Careers Day, focused on preparing students for the evolving job market by providing them with insights and guidance on emerging trends in the workplace.

Here, prominent Old Boys from the KCOB Class set of (1974 – 1979), who have excelled in their respective industries and fields, will engage in conversations with students about Artificial Intelligence and its impact on the future of work in the digital age.

The pinnacle event of Friday, 20th September 2024, and indeed the entire week, will be the 115th Annual Founders' Day Lecture, where distinguished speakers will discuss the Kingsweek theme "Achieving a Secure Nigeria by 2030."

During the lecture, the speakers will explore various dimensions of security, including social security, financial security, national security, information security, and energy security, offering a comprehensive understanding of the various measures and strategies that will be essential in creating a secure and sustainable Nigeria by the year 2030.

The 2024 KCOBA Annual General Meeting (AGM) will conclude Kingsweek 2024, bringing the week's events to a close and providing an opportunity for the association to evaluate its achievements and initiatives over the past year, as well as to consider the future direction of the association.

A connected Africa will be a rich Africa

Africans are seeking ways and means to interconnect – but a massive infrastructure boost is required, writes Samaila Zubairu, in this piece first published by African Business

SAMAILA ZUBAIRU

Samaila Zubairu is President and Chief Executive Officer of the Africa Finance Corporation.

AFRICA STANDS AT A CROSSROADS where the choices we make today will define the continent's future for generations. Our people are driving a powerful grassroots movement toward greater intra-continental connectivity, demanding enhanced trade, education, and migration across borders.

This demand is a clarion call that must be met with bold, strategic investments and innovative policies. Africa cannot afford incremental change; we need an audacious leap forward that reflects our ambition, fuels our growth, and bridges the connectivity gap that has long shackled our development. The future of Africa hinges on our ability to link up the continent, and the time to act is now.

The popular global narrative about African migration often focuses on the painful and dangerous exodus to the global North, but this narrative is fundamentally misleading. The reality is that the majority of African migration occurs within the continent itself. In 2017, more than half of Africa's migrants – over 53% – were living in another African country, a figure that rises to over 80% in sub-Saharan Africa.

This data reveals an essential truth: Africans are deeply invested in their continent, seeking opportunities closer to home rather than abroad. This intra-continental movement is about more than just migration – it is about building a future within Africa.

Whether it's pursuing education, employment, or trade, Africans are finding ways to connect and collaborate with each other across borders, often in defiance of the barriers that stand in their way. For instance, despite the challenges of academic mobility, 20% of African students who studied abroad in 2021 chose to do so within the continent, highlighting a strong and often overlooked desire for intra-African engagement.

By intentionally nurturing and supporting this trend, we can significantly reduce Africa's brain drain and retain more of our valuable human capital within the continent.

Furthermore, intra-African remittances, which account for nearly one-fifth of the continent's total remittance flows, underscore the economic interconnectivity within Africa. These remittances, amounting to $20bn out of Africa's nearly $100bn in total flows, are lifelines that sustain families and businesses, reinforcing the economic bonds that are vital for the continent's growth.

Yet, the drive for connectivity is constantly hindered by inadequate infrastructure. The logistical nightmare of travelling across Africa is a stark reminder of the continent's infrastructural deficiencies. A journey between Kigali and Luanda, which should take only three hours by direct flight, can currently take anywhere from nine to 20 hours due to the lack of direct routes.

This inefficiency not only wastes time but also inflates costs, making intra-Africa travel 45% more expensive than in Europe. The average cost of sending money within Africa is about 1.3 times the global average.

But here lies a paradox: despite these challenges, the desire for connectivity has fueled significant growth in intra-Africa air travel. In many African countries, more than half of the air passenger traffic is now intra-continental, with African airlines carrying 67 million passengers in 2022 alone – a 55.8% increase from the previous year.

Cross-border trade is another area where ordinary Africans are leading the charge. Informal cross-border trade accounts for a substantial portion of the continent's economic activity, representing 7-15% of formal intra-African trade flows and a staggering 30-72% of formal trade between neighboring countries, according to the United Nations Economic Commission for Africa (UNECA).

The catalyst for continental growth

The demand for intra-continental connectivity is clear, and the solution lies in strategic investments in cross-border infrastructure. Africa cannot afford to stumble into the next century with the infrastructure of the last; it needs bold, transformative projects that will reshape the continent's economic landscape.

Imagine the potential of the Lagos-Abidjan expressway (crossing five countries), the Lobito Corridor (crossing three countries), or the Kano-Maradi railway (connecting three Nigerian States with the city of Maradi in Niger), or even a transcontinental route from Mombasa to Dakar – these projects are not just roads and railways; they are the arteries of a connected Africa, ready to facilitate trade, movement, and economic growth.

The Africa Finance Corporation's State of Africa's Infrastructure Report 2024 makes a compelling case for such investments.

The report highlights the potential of building economic corridors that connect resource-rich regions with markets, thereby reducing transportation costs and time, boosting trade, and driving economic growth.

The Grand Inga Dam, for instance, which has a capacity to generate 45 gigawatts of electricity – more than a third of Africa's current electricity production – could power the processing of critical minerals, with the Lobito 1 and 2 corridors transporting these resources efficiently across the continent.

Image : SIMON MAINA/AFP

Imagine a West Africa where improved road networks and railways allow goods to flow seamlessly across borders, or an East or Southern Africa powered by a regional electricity grid that fuels industrial growth and elevates the quality of life for millions. These are more than just infrastructure projects; they are investments in a prosperous African future.

Building on continental initiatives

Fortunately, Africa is not starting from scratch. Several continental and regional initiatives are already laying the groundwork for greater connectivity. The Africa Continental Free Trade Area (AfCFTA) is a bold step toward the free movement of people, goods, and services across the continent. This ambitious project, if fully realised, could transform Africa into a single market, unlocking unprecedented opportunities for trade and investment.

The Africa Visa Openness Index is another positive development, showing significant progress in reducing the barriers to intra-African travel. In 2023, 50 African countries improved or maintained their scores on the index, with 42 countries offering visa-free entry to citizens from at least five other African countries. Kenya and Rwanda have taken this commitment a step further by offering visa-free access to all Africans, joining The Gambia, Seychelles, and Benin in setting a powerful example for the continent.

These initiatives are a testament to what can be achieved when African countries work together. But we cannot afford to be complacent. The momentum must be accelerated, and these efforts must be expanded and deepened.

Regional economic communities like ECOWAS, SADC, and COMESA have also made modest but meaningful progress in facilitating connectivity and trade within their regions. These regional efforts, combined with the power of AfCFTA, can pave the way for a truly integrated Africa.

The AfCFTA and the Visa Openness Index are just the beginning. To achieve a truly connected Africa, we need greater regional cooperation, more ambitious infrastructure projects, and institutions that can drive the continent's integration forward.

Unlocking Africa's infrastructure potential

The greatest hurdle to Africa's infrastructure development is not a lack of vision but a lack of capital. Africa's financial institutions are relatively small and underdeveloped, and the continent's capital reserves inadequate. This financing gap is a major obstacle to the continent's growth, but it is not insurmountable.

To overcome this hurdle, we need to rethink our approach to financing. The first step is to build and strengthen large, local banks capable of financing major infrastructure projects. However, we must also ensure that all commercial banks across Africa are adequately capitalised, not just the top-tier institutions.

Depending on the size of the economy and the addressable market, no bank should have capital of less than $100 million equivalent in its local currency. In larger economies, banks should aim for a minimum capital of $1 billion, with a target of reaching $10 billion. This capital could then be put to work in financing factories, power plants, roads, and ports across the continent.

By recapitalising Africa's top-tier banks, we can establish a robust financial backbone to support the continent's development.

We must also capitalise African development finance institutions (DFIs) and multilateral development banks (MDBs) from within Africa. These institutions have a proven track record in supporting infrastructure projects, and with additional capital, they could scale their efforts and attract even more investment.

But perhaps the most innovative solution lies in unlocking the potential of Africa's savings. Despite representing a significant pool of capital, these funds are often underutilised due to regulatory barriers and perceived risks.

By providing de-risking tools — such as government guarantees — and offering regulatory support, we can enable savings pools, like pension funds, to invest in regional infrastructure projects. This approach not only addresses the financing gap but ensures that Africa's development is fueled by African capital.

To increase the savings potential of African economies, we must focus on value capture and retention strategies that create quality, higher-paying jobs. This, in turn, would enable governments to better fund schools and provide essential infrastructure.

Pension funds and insurance companies are increasingly important in deepening capital markets in developing economies. In countries like South Africa and Nigeria, pension funds have begun to explore this potential.

For instance, Nigeria has increased its pension funds' allocation to infrastructure financing from $6 million to over $110 million in less than a decade. National pension fund consortia, such as the Kenyan Pension Funds Investment Consortium (KEPFIC), can pool resources and expertise to support local infrastructure investment. This model can be replicated across the continent, providing a powerful tool for financing Africa's infrastructure needs.

Moreover, there is untapped potential in the shadow savings locked within Africa's sizeable informal sector. Africa has the highest level of economic informality in the world, lacking the credible institutions needed to incentivise formal savings on a large scale.

Currently, most African savings are non-financial and informal, limiting their ability to support the structural economic transformation the continent urgently needs. To unlock financing for Africa's infrastructure, we must leverage both formal and informal financial resources, creating a comprehensive, innovative approach that drives sustainable development from within.

Action for Africa's future

Africa's future depends on our ability to connect the continent. The demand for intra-continental connectivity is not just a trend; it's a movement driven by the aspirations of millions of Africans who are already finding ways to trade, learn, and migrate across borders. But to fully realise this potential, we need to invest in the infrastructure that will make this connectivity possible.

The challenges are significant, but they are not insurmountable. By investing in strategic infrastructure projects, building on existing initiatives, and adopting innovative financing approaches, we can create a continent where borders are not barriers but gateways to opportunity.

The time to act is now. Africa's future is in our hands, and we have the power to shape it. By coming together, investing in our people, and building the infrastructure that will connect our continent, we can create a brighter, more prosperous future for all Africans. The journey will not be easy, but the rewards will be immense. Let us seize this moment and build a connected Africa that fulfils the dreams of its people.

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Rising cooking gas (LPG) price compounds woes of Nigerians (2)

SUNNY CHUBA NWACHUKWU

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DANGOTE REFINERY HAS finally commenced production of petrol (PMS) in Nigeria! This is great news and it's good tidings for the economy at this moment of deep economic turmoil in our national life. The other of Nigeria's economic sectors, barring any unimpressive status from all economic indicators, not minding vested interests, sectional points of view; the global warming threats, the great importance of agricultural food security, and economic growth through exports, it has been proved very clearly that our economy is significantly tied to the performance of the nation's oil industry which is, indeed, part of the energy business in this discourse! The coming on stream of these refined petroleum products is something to rejoice about by all forward looking citizens. Although it is not going to crash the pump price of Premium Motor Spirit (PMS) instantly, it will start a downward trend in product pricing, as NNPCL (the sole off-taker) is urged and expected to start the downward review of the PMS pump price per litre. This development (the production of petrol within the economy for the first time since 1996; by a refining facility of 650,000 barrels per day) will surely impact Nigeria's present economic indices, namely, inflation, uncontrollable tumbling of the Naira's exchange rate, rising unemployment figures, poor productivity profile that reflects a sluggish GDP growth rate, with general insecurity in the land, and more, in a positive macroeconomic light.

Energy security for the improvement of the nation's economy shall involve adequate provision of locally produced refined products (including LPG and CNG) for daily domestic needs – for cooking, heating of homes or cooling systems, power generation, driving of automobiles at low energy cost, among others. One interesting thing about the oil and gas business in hydrocarbon operations is that investors in the business establish refining facilities to harvest gas from the oil wells (in most cases occurs), while oil drilling and extraction of crude is produced concurrently at the same time. The production processes actually involve simultaneous actions in harvesting of natural gases (methane, ethane, propane, butane, pentane, etc) that surge out first with tremendous pressure in the process of crude oil extraction. The upstream subsector of the oil and gas industry should consider very seriously the local production (by borrowing a leaf from the Dangote Refinery) that could cater for daily domestic needs rather than exporting everything to foreign trading partners; while the home front suffers by importing processed gases at higher and very exorbitant rate (like the current price of LPG) with our very scarce foreign exchange, which compounds the woes of many Nigerians presently.

If LPG could also be processed locally, the price of cooking gas would drastically crash because we have natural gas in abundance that we even generously waste through decades of flaring in the crude oil extraction process. Why should Nigeria continue to be importing cooking gas from northern Africa and some other countries of the world, while we are sitting on trillions of cubic feet of natural gas? It is folly that corruption has blinded the managers of this economy for too long, not to truly plan and direct aright the private investors (with commensurate encouragement and government backing in the sector) to engage in local productions in the downstream subsector of the economy. Such strategic management of locally processed cooking gas shall obviously improve the favourable pricing profile for domestic consumption of the substrate at ridiculously low rates.

It is true that the nation's economy has been poorly and badly managed in the past as a result of the endemic and systemic corrupt practices which have eaten deep into the nation's fabric, but there is still hope for the economy to rise again! If the managers of the nation's commonwealth could start now to patriotically implement all the economic policies that shall favour economic growth, and stop financial leakages in the nation's treasury, Nigeria shall rise again. This is because the potential to overcome the past misdeeds are enormous in the macroeconomic purview. This economy has wasted heavily in the hands of looters for so many decades, but, the onus lies on whoever is in charge to start turning things around for the interest of the state. It is doable, if the leaders and the economic managers are willing and determined to do so by plugging all the fraudulent loopholes, backed with extant laws. Nigerians presently deserve to be governed well and with respect, rather than treating citizens like animals, socioeconomically. The big question I pose to our past leaders (in the legislative and executive arms of government; in the three tiers, vis-a-viz local, state and federal governments) is this: "What has it profited thou to run the state down by amassing stupendous wealth inordinately with the public condemnation, after the EFCC and others had openly embarrassed you for financial fraud, before the entire world?"

We, Nigerians, better have a second thought on this because, after all said and done, "all is vanity!"

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Focus on impact, not on titles

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Let me tell you a true story.

RECENTLY, I FOUND MYSELF on a working trip to the land of my birth, and accompanied a client whose son and daughter-in-law had just welcomed a baby girl. The newborn arrived at St. Nicholas Hospital, Lagos Island — the very hospital where I was born nearly half a century ago. The symmetry was striking, a moment where past and present converged in an unexpected way.

Sitting in the same hospital where my mother, whom I fondly call Queen Mother Esther, and my late father, Solomon Babafemi, awaited my arrival, memories flooded back. I remember the story; how every baby born the week before my arrival was a girl, and the joy my birth brought to the hospital, breaking that streak. As I sat there, looking around, I realised I had not stepped into this hospital as an adult, yet its presence felt deeply familiar.

Next to me, an elderly couple sat quietly, a picture of calm amid the bustle. I watched them and reflected on the miracle of new beginnings — mine and my client's grandchild — and the incredible journey that had brought me to this very moment. From that hospital in Lagos to working with global brands, writing bestselling books alongside thought leaders like Brian Tracy, and, most meaningfully, supporting over 100,000 professionals and individuals on their journey to human flourishing, this moment of reflection illuminated four profound career and leadership lessons that I have learned along the way.

Lesson 1: Your story is your power

As I sat in that hospital, I thought of the countless stories that have shaped my life — the story of my birth, the story of my growth, the story of how I've helped others. Each of us has a unique narrative, and the moment we realise the power of our story is the moment we unlock our potential. Stories are not just chronicles of the past; they are blueprints for the future.

For me, sharing my story of perseverance, growth, and success, even from that hospital in Lagos, has been an essential part of my leadership. It's not about boasting; it's about showing others what is possible, what can be achieved. Whether you're leading a team or starting your own journey, remember: Your story is your most powerful tool.

Lesson 2: Resilience is built over time

The elderly couple seated nearby reminded me of the quiet strength that comes with age and experience. True leadership requires resilience — an ability to withstand challenges and emerge stronger. The path to success is rarely linear. Along my journey, I've faced setbacks, obstacles, and moments of doubt, but I've learned that resilience is not something you are born with. It is built, one challenge at a time.

The same goes for career growth. You will face disappointments, but the way you respond to those challenges is what defines your success. Resilience is the muscle you develop every time you refuse to give up.

Lesson 3: Impact is measured by lives touched

Over the years, I've had the privilege of supporting professionals across Africa and partnering with governments on initiatives around public-private partnerships (PPP) focused on human flourishing and mental health. From coaching healthcare professionals on how to avoid burnout to mentoring young people, my greatest achievements have always been rooted in the impact I've had on others.

Leadership, at its core, is about service. The question every leader should ask themselves is, "Whose life did I change today?" It's not about titles or accolades; it's about the people you support, the communities you uplift, and the futures you help shape.

Lesson 4: Partnerships amplify potential

Throughout my career, I've learned that you can achieve a certain level of success on your own, but true greatness comes through collaboration. Partnering with governments, organisations, and thought leaders has expanded my reach and multiplied my impact. It's not about doing everything yourself; it's about surrounding yourself with the right people, the right team, and the right partnerships.

Collaboration amplifies our efforts and creates opportunities for greater impact. Whether it's in business, healthcare, or public service, the power of partnership cannot be underestimated. We rise higher when we lift others with us.

Four actionable career tips for success

1. Embrace your story: Your personal journey is powerful. Share and own it; it holds the key to your growth and leadership potential.

2. Build resilience: Every challenge strengthens you. Success isn't about avoiding failure; it's about learning from setbacks and moving forward.

3. Focus on impact, not titles: Leadership is about serving others. Ask yourself daily: "How can I positively impact someone today?"

4. Collaborate for success: You don't have to go it alone. Build partnerships that align with your goals to amplify your efforts and achieve greater success.

As I left St. Nicholas Hospital that day, I was reminded that the journey of life and leadership is a continuous one — filled with lessons, growth, and the opportunity to leave a lasting legacy. Whether it's mentoring the next generation, building partnerships, or telling your story, the impact we make on others defines the true success of our careers.

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Business, Governance & Enterprise

Still on Africa's lack of innovative abilities

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THE MAJOR BARRIER TO innovative abilities in most African countries is corruption. Africans are bereft of innovative ideas because of the high level of corruption in the continent. Corruption is dishonest or fraudulent practices or conduct by those in positions of authority, such as fraud, stealing, bribery, inflation of contract sum, sharp practices, misappropriation, mismanagement and favouritism. Corruption is a double-whammy situation; it hurts both sides. Corruption depletes the funds of the nation and swells the population of people who become indolent after believing corruption is a good way of life. A lot of youths find it difficult to think of innovative developments because of the way of life of some corrupt leaders.

Most people who are supposed to rack their brain on innovative products are waiting for their turn to get to positions of power and enrich themselves through corruption. Those who cannot get to a position of power will rather beg for money to survive and continue to hope for a better life until the end of their lifecycle!

Environmental factors are another bane of innovation in Africa. A lot of people, especially children, live below the poverty line and are underfed. There are hormones secreted by various glands and organs in the human body which help thinking ability and innovation. Dopamine hormone is a neurotransmitter which not only promotes feelings of focus, enjoyment and well-being, but also promotes motivation by giving humans drive to perform and achieve. All hormones that affect emotions also affect intellect. Oestrogen, progesterone, and testosterone play important roles in brain health, including mood balancing, improving memory, and enhancing overall cognitive function. Oestrogen especially appears to have neuro-protective effects on the brain. Myelin is an insulating layer, or sheath that forms around nerves, including those in the brain and spinal cord. It is made up of protein and fatty substances. The myelin sheath allows electrical impulses to transmit quickly and efficiently along the nerve cells. Poor diet and lack of food do not help formation of myelin around the nerves, hence poor innovative abilities. Innovative abilities are acquired as a talent or through training. China has a "Special Class for the Gifted Young" (SCGY) aimed to select gifted young students that will be trained in the universities to become knowledgeable leaders. Similarly, Nigeria School for the Gifted was located in Gwagwalada Area Council of the Federal Capital Territory (FCT). It was formerly known as Government Gifted Secondary School. It was established in 1994 to cater for the educational needs of the exceptionally gifted and intelligent students in Nigeria. The school had free boarding facilities. Talented children, one each from the 774 local governments, were to be sent by the chairman of each local government to the school for admission. These students were to be modelled to become innovators and inventors in the future. The chairman of a local government once sent his son who could neither write nor read in English to the school. The 'Gifted Children Development Scheme' thus, became a wasted effort shortly after its establishment in Nigeria.

According to Zak Dychtwald in the Harvard Business Review of May–June, 2021, in an article titled 'China's New Innovation Advantage,' "The future of the Chinese economy lies in innovation, and every one in China knows it. But that hasn't always been true." China started its manufacturing miracle not with innovation but imitation. China's imitation of other countries' products and innovations earned China the name, 'global copycat.' Today, China can no longer rely on imitation but has to innovate to be a force to reckon with in the global products market. California is the largest sub-national economy in the world. If California were a nation, it would rank in terms of nominal gross domestic product (GDP) as the world's fifth largest economy, behind Japan and ahead of India ($3.937 trillion). The California economy is built on technology (innovations and inventions), trade, media, tourism, and agriculture (Bull Oak Capital, 2024).

Innovation enables problem-solving and provides creative insight that allows nations to look at things from a different perspective, regardless of whether they are developing a new product, refreshing strategy for economic development and growth or finding an original way to stay ahead of the competition. Innovation can grow businesses and the economy; it can help a people to stay ahead of the competition; and it can help a nation have technology advantages over other nations. The Atlantic City located on the site of former Bar Beach in Victoria Island, Lagos State, is designed to accommodate high-rise buildings of average 30 floors. These buildings can only be built with the aid of cranes imported from overseas. With the adoption of innovation, foods, technology, vehicles, clothes and building materials, being imported from other countries will seize. It is the lack of innovation that has resulted in our tallest building – originally known as 'NET Building' – along Marina, Lagos State, to lie fallow. It is the same innovation gap that resulted in food scarcity despite our massive arable land and massive waterfront that can be farmed all year round.

Africans are short of innovative ideas because the leaders are not providing the required impetus to develop innovators and inventors despite that civilisation started in Egypt (an African country) before the western world! Civilisation in the world first started in Mesopotamia in Iraq (extending to Kuwait and Syria). The Mesopotamian people first developed modern ways of writing, farming and construction. The people of Egypt, along the Nile River were innovative and invented so many farming, construction and manufacturing technologies and ideas around 3100 BC. Lack of focus and motivation of African people have led to lack of new innovative ideas to lift the people out of abject poverty. The leaders are not helping matters and have turned leadership positions, which are supposed to be opportunities to serve, into money-making ventures. African politics has now become the most lucrative business and the elites are no longer those that can innovate or invent but those that are in political offices.

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Africa in massive poverty, economic hardship yet fighting climate change

NJ AYUK

NJ Ayuk is the executive chairman, African Energy Chamber. He is based in South Africa from where he contributed this piece

ORGANISATIONS RANGING from the World Bank to the European Investment Bank (EIB) have dropped support for African fossil fuel production in hopes of encouraging a transition from oil, gas and coal to sustainable energy sources like wind and solar power.

Now there are legitimate concerns that investor support for oil and gas production will dwindle as well. Blackrock, which controls $7 trillion in investments, and the Royal Bank of Scotland have said they'll be moving away from investments that support fossil fuel production.

The anti-fossil fuel fervour is being demonstrated in what may seem like surprising ways: the Bank of England was criticised for having an oil company executive on its board of directors.

Pressure is coming from within the African continent, as well. Western funded NGOs from Kenya and the surrounding region, for example, recently petitioned the African Union to put a stop to coal usage and look into phasing out oil and gas usage over the next three decades in hopes of eliminating emissions that contribute to global warming.

I agree that climate change should be taken seriously, but we cannot accept knee-jerk responses. We must not rob our continent of the significant benefits it can realise from oil and gas operations, from the economic opportunities of monetised natural resources to critically important gas-to-power initiatives.

I am not, by any means, calling for a stop to sustainable energy programmes. They are being implemented, and I hope to see more. I'm simply saying it's too soon for an either-or approach to green energy sources and fossil fuels.

What's more, it should be Africans, not well-meaning outsiders, who determine when the timing is right to phase out fossil fuels in Africa, if ever. Pressuring Africa to do otherwise is insulting, no better than throwing foreign aid at us with the assumption that Africans are incapable of building a better future for ourselves. It's also hypocritical for countries and people who enjoy the security, greater life expectancy, comforts and economic opportunities associated with plentiful, reliable energy to say, "Time's up, Africa. No more fossil fuels for you. Desperate times call for desperate measures."

What about the desperation that the 600,000-plus Africans without power live with every day?

Pressure is building to phase out fossil fuels in Africa to fight climate change

Is it reasonable to expect them to wait for green energy to evolve while domestic natural gas and crude oil reserves can be exploited to create electricity and heating fuel far more quickly?

Addressing energy poverty

We cannot move forward with phasing out fossil fuels in Africa before we address the huge swaths of our continent existing in energy poverty. I strongly agree with the late OPEC Secretary General Mohammed Barkindo, who said in his 2021 address: "The almost one billion people worldwide who currently lack access to electricity and the three billion without modern fuels for cooking are not just statistics on a page. They are real people…Nobody should be left behind."

Closer to home, more than two-thirds of the population of sub-Saharan Africa, more than 620 million people, lack access to electricity. Even more infuriating, that number is likely to increase. The International Energy Agency (IEA) has predicted that by 2040, approximately 75 percent of sub-Saharan Africa will lack access to electricity. Why? Surging populations are far outpacing the spread of infrastructure.

As I wrote in my book, A Just Transition: Making Energy Poverty History with an Energy Mix, living without electricity is much more than an inconvenience. It keeps people from modern healthcare, and it exposes them to toxic air pollution caused by burning unsafe fuels indoors. It also reinforces poverty and contributes to economic stagnation: Businesses, factories and schools need electricity to function and grow.

I'm convinced that one of our continent's best chances of eliminating energy poverty is to strategically exploit our abundant natural gas resources instead of exporting and flaring it. Africa had 503.3 trillion cubic feet of proven natural gas reserves available to us as of 2024. Natural gas can be used to fuel electricity generation: It's available; it produces less carbon dioxide emissions than diesel, gasoline or coal; and it's affordable. In fact, its price recently fell. What's more, natural gas can be integrated with wind and solar power to produce energy that's both sustainable and reliable.

While gas-to-power will require effort, from the creation of intra-African trade agreements that make natural gas available to countries without it to cooperation from power producers, it represents a very doable way for Africans to resolve one of the continent's greatest challenges.

In addition, Namibia has seen some amazing discoveries by TotalEnergies, Shell, and Galp Energia. Greenfield spending — that is, foreign direct investment in new projects — is being driven by Mauritania, Senegal, Uganda, Congo, Mozambique, Ghana, Angola, and Cote d'Ivoire. With that in mind, this is a horrible time to stop producing and using natural gas in Africa. This is why African Energy Week is important because it represents where Africans stand on energy and their future. The game has changed.

African companies, monetisation and economic growth

Phasing out fossil fuels in Africa also would be harmful to the many international and indigenous oil and gas companies that contribute to the continent's revenues and make a positive social impact here.

I've written extensively about companies that do real good for African communities, such as Oando Plc, Etu Energias, Platform Petroleum, Seplat Energy PLC, Green Energy International, Lekoil Nigeria Ltd, AMNI International Petroleum Development Company Ltd, Sahara Group, Shoreline Energy and many, many more. These indigenous companies create jobs for Africans, buy from African suppliers, and do business with other African companies, in addition to their extensive community outreach efforts. We have, and need, foreign companies that do the same — and share their

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Economics Commentary

Nigeria's dangerous return to price control and command economy

MARCEL OKEKE

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A NUMBER OF INITIATIVES and policy pronouncements by agencies of the Federal Government of Nigeria (FGN) in the past few days amply signal the country's descent to a command economy regime. This is as against Nigeria's current economic system that is largely a 'mixed economy.' First was the order issued by the Federal Competition and Consumer Protection Commission (FCCPC), threatening to penalise businesses involved in what it termed "price fixing and gouging"; and gave a one month moratorium for them to cut prices.

The second was the statement by the Nigerian National Petroleum Company Limited (NNPCL) that it would be the sole "seller" of petroleum motor spirit (PMS) being produced by the Dangote Refinery. This was also followed by a new pump price template from the NNPCL, barely 48 hours before the commercial roll out of PMS from the new refinery. The new template carries PMS pump price range of between N868 per litre and N930 per litre for various locations, as against the N658 per litre that had subsisted for months.

Also, another agency of government – the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) – was the body that announced the debut production capacity of the Dangote Refinery in its first month of take-off. The NMDPRA said that Dangote Refinery was set to supply 25 million litres of petrol daily to the Nigerian market all through September. The agency also said this amount will be increased to 30 million litres daily from October.

Obviously, these sorts of pronouncements from the FCCPC and NMDPRA can only come from agencies of government in a command economy setting. This is where the government, rather than the traditional free market economy laws of supply and demand, mandates which goods and services will be produced and how they will be distributed and sold. Due to lack of free-market competition, command economies discourage innovation; and industry leaders are rewarded for merely following government directives rather than creating new products and solutions.

Therefore, the directive by the FCCPC to traders did not bother the agency about how they go about getting their goods, but must insist on their prices to the final consumer. Pointedly, the agency is veering into price control duties rather than its consumer protection remit.

As a country, Nigeria has had an ugly taste of the rigid price control (embedded in the command economy) during its years of "essential commodities" in 1984/85. Government of that era focused on importation of those commodities it believed served the needs of the people, and sold at prices solely fixed by it. Within a short span of time, not only did those commodities get scarcer, local substitutes or alternatives got driven out of existence. As a consequence, even local manufacturers were wiped out, unwittingly.

Now, to what extent is the government involved in the troubles the food sellers (for instance) go through to source their wares and bring them to the market? For importers of some of these "essential commodities," the crash of the naira in the foreign exchange (FX) market since mid-2023 has meant paying through their nose to import/stock their shops. These importers have to procure the very costly dollar to source their goods and have them in the supermarkets.

When these businesses factor in their transportation costs, electricity supply cost (including standby generators), security, accommodation, among others, their selling prices would obviously come very high. And the government now, by fiat (through FCCPC), gives them one month ultimatum to 'crash' their prices or face sanctions. Why should the government and its agencies not opt to address the FX challenges and other costs faced by these traders rather than arbitrarily ordering them to slash prices of their goods?

This is where the command economy mindset comes in; rather than dealing with the root causes of the high prices of goods and services (consistently rising inflation), the government opts to 'deal with' businesses. Thus, before the expiration of the one month ultimatum given to the traders by the FCCPC to slash prices of their goods, many of them would have either closed shop, divested or relocated.

The point is that the government cannot be in control of what doesn't belong to it. Traders, or businesses, as economic agents only take advantage of the operating environment provided by the government. In the free market economy that Nigeria operates, businesses only need the enabling environment — and respond to stimuli provided through government policies and programmes. Therefore, price control (or price fixing) by the agencies of government usually ends up killing entrepreneurship, innovation and enterprise.

This is why it is a cause for worry that the NNPCL has come to be the sole off-taker and sole supplier of the Dangote Refinery PMS. And barely a few hours to the official roll out of the PMS, the state-owned oil behemoth (now regulator and operator) issued a new price template for the product — hiking its prices to unprecedented levels. In other words, the unfounded fears that Dangote Refinery was going to operate as a private monopoly is now to materialise in the NNPCL functioning as a state monopoly.

Under the unfolding scenario, the NNPCL will not only solely supply the PMS but will also fix the pump price — as it has just done. Apparently, the NNPCL has positioned itself to 'milk' Nigerians to not only pay its reported outstanding huge debt of about $6 billion but also to become profitable as a 'business.' This strategy typifies a monopoly that can set prices without oversight because of non-existent rivals in its industry. Apparently, because of the largely inelastic demand for PMS, government agencies — as regulators and operators — are fixing prices of the products that leave Nigerians with no choices.

If NNPCL and its kindred regulatory agencies have displayed a track record of being business savvy over the years, would the downstream sector of the oil industry in Nigeria be in the sorry state that it is today? Would the four state-owned oil refineries in Port Harcourt, Warri and Kaduna have been run aground and left moribund for years? Would the thriving bizarre phenomenon of ravaging oil theft have festered in Nigeria?

Now, rather than encouraging private sector operators to set up more refineries, the tortuous and harrowing experience the NNPCL and its sister agencies subjected Dangote Refinery really scares investors. It is public knowledge that just a couple of weeks ago, the CEO of NMDPRA told the whole world that Dangote Refinery had not even been licensed. He went further to say that the refinery was at a mere 45 percent level of completion.

Today, the same agency — NMDPRA — is the one dictating and directing the debut volume that Dangote Refinery must have — and that is only 25 million litres of petrol daily. This is only to be scaled up to 30 million in October. Who says these figures truly depict Dangote Refinery's plans and projections? Are these not part of the behind-the-scenes conditions and directives rammed down the throat of the fledgling refining empire?

In all of these, where lies the consideration for the welfare and wellbeing of Nigerians — and, by extension, the economic progress of the country? Arbitrary hikes in the prices of PMS and related products directly harm the economy: quantum rise in the cost of goods and services — leading to run-away inflationary trend. This translates to continued impoverishment of Nigerians; crashing standard of living and rising misery index.

If the business behemoth — the Dangote Group — could go through all the hassles it did to set up the refinery, only to be 'shadowed' by the NNPCL and its cohots, which other private investor has the clout and muscle to toe Dangote's line? There was perceived and obvious sabotage by even key operators in the downstream and upstream sectors of the oil industry. As it is today, Dangote has been effectively edged out from interfacing with neither the PMS distributors nor the ultimate consumers. Only the NNPCL looms large, unfortunately!

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Africa in massive...

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technologies.

And that's only part of the picture. Africa has not fully capitalised on a game-changing opportunity: monetising our oil and gas resources.

This starts with using oil and gas as a feedstock to create other value-added products. Natural gas, for example, can be used to make liquid transport fuels, base oils, paraffin, and naphtha.

The resulting revenues can be used to build infrastructure and diversify economies. This is not an abstract, pie in the sky idea. In Equatorial Guinea, for example, initiatives aimed at monetising the country's massive natural gas reserves has led to the creation of new infrastructure. It is helping the government build a natural gas mega hub that could make Equatorial Guinea a major player in the global liquified natural gas market and bring in $2 billion in revenues. There's no reason that other African countries can't do the same.

Our opportunities, our timing

I am realising that fully capitalising on Africa's oil and gas resources poses significant challenges, but it is doable. All my three bestselling books — Billions at Play; Big Barrels: African Oil and Gas and the Quest for Prosperity; and A Just Transition: Making Energy Poverty History with an Energy Mix — provide practical steps for realising the African Energy dream. They show there are ways to strategically harness our oil and gas resources, create economic growth and promote stability, the kinds of changes that impact everyday people throughout the continent.

Our view on oil and gas is not about greed or lining the pockets of a select few. If we work to use these resources wisely, they really can power a better future for Africa. And we're not ready to toss them aside.

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Top fund managers boost Africa's tech potential at Oxford's business school

Business a.m. Reporter

FOR FIVE DAYS STARTING from Monday 9 September, 44 leading fund managers from 33 African venture capital (VC) funds will be hosted by Boost Africa and AfricaGrow at the Oxford University's Saïd Business School in the United Kingdom.

The VC funds include Partech, AfricInvest, TLcom, Norssken, Speedinvest, and others who are attending the Africa Venture Finance Programme (AVFP), a week-long, in-person course, developed specifically for VC fund managers investing in early and growth-stage technology companies in Africa.

In a statement made available to Business a.m. by Boost Africa, attendees from across the continent will participate, with half of them being women, highlighting the industry's need for greater inclusion of women at senior levels.

According to Boost Africa, the programme supports the growth of Africa's technology venture capital sector and will equip fund managers to identify and fund innovative solutions, addressing Africa's unique challenges, in an atmosphere that will also allow them to share expertise and facilitate discussions to drive rapid growth in Africa's technology venture capital sector.

"The EIB is committed to financing new technology and ideas that will address the global challenges we all face," said Ambroise Fayolle, vice president of the European Investment Bank (EIB).

"We are proud of Boost Africa's role in supporting a vibrant and resilient VC ecosystem in Africa and helping African entrepreneurs transform their ideas into successful businesses," Fayolle added.

Aunnie Patton Power, Oxford programme director said: "The African Venture Finance Programme exemplifies the kind of impactful, high-calibre initiatives we strive to offer at Saïd Business School. We take pride in our deep connections with the African continent, reflected in our students, alumni, and faculty, and we are excited to continue fostering the growth of emerging leaders through our programmes."

Also commenting, Martin Ewald, lead portfolio manager, impact investments, at Allianz Global Investors, said: "At AfricaGrow, we are proud to serve as a catalyst for private capital into the African venture capital ecosystem. Our investments and technical assistance programmes are designed to empower local first-time funds, extending our impact beyond our immediate portfolio. The Africa Venture Finance Programme offers a unique opportunity for fund managers to exchange knowledge, create strong networks and forge valuable partnerships."

In addition to Oxford academic staff, prominent investors and technology experts from around the world will engage with participants on various topics, including renowned African investors and AVFP alumni Khaled Ben Jilani from AfricInvest, Keet van Zyl from Knife Capital, and Ido Sum from TLcom.

The Divided States of America

CHANGE

YOMI MAKANJUOLA, PHD

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TWO YEARS SHY OF THE 250TH anniversary of the American Declaration of Independence, the US will hold a general election this November whose outcome is on a knife-edge. But why should it matter to non-Americans? For starters, because whoever wins will be recognised as the leader of the so-called free world. Also, the new president becomes the commander-in-chief of a multimodal military superpower.

Although the American population is barely 4% of the global headcount, its economy remains the most consequential and innovative. However, in terms of longevity, America is the new kid on the block relative to two geopolitical rivals, Russia and China. Put delicately, the former still has a lot to learn over the long arc of history. But regardless of ideological foes' sabre-rattling, the US has been the world's indispensable sheriff since the end of WWII, and continues to undergird the rules-based global order.

Oddly enough, despite its vaunted meritocratic credentials, the US has never elected a woman to its highest office. Subliminally, it could be inferred that America is still a patriarchal society contending with radical progressive forces. Incidentally, Barack Obama, the 44th president, became in 2008 the first non-white US leader. But is there more to this narrative than meets the eye?

A bird's eye view marked Hillary Clinton as the first American female to capture the presidential nomination of a major political party. Although she won the popular vote, she lost the election to Donald Trump through the quirk of the US Electoral College system. Without rehashing the 2016 race, apparently it emerged that segments of the electorate – both male and female, and mostly in non-urban areas – could not bring themselves to vote for a woman.

Psychologically, whisper it, is it possible that some US voters still cannot visualise a woman's finger hovering over America's nuclear button? Today, that sounds preposterous, misogynistic, and politically-incorrect. Indeed, nuclear-armed democracies as culturally diverse as Israel, India and Great Britain have in the past elected female leaders like Golda Meir, Indira Gandhi, and Margaret Thatcher, respectively. Therefore, ascribing America's intransigence to machismo or national security misgivings may be missing the point.

This backdrop ennobles the tough decision of age-impaired President Joe Biden to vacate the 2024 Democratic Party ticket in favour of his vice president, Kamala Harris. In the event, no sooner had the US digested the impact of Obama's two-term presidency and Hillary Clinton's debacle, than the country faces a choice between a German-Scottish-American septuagenarian (original family name: Drumpf) and yet another woman, who happens to be a centre-left Jamaican-Indian-American. Comical that Kamala cannot 'Duck' the pun that her father, Donald Jasper Harris, has the same first name and initials as former President Donald John Drumpf! Disparagingly, his running mate, Senator J. D. Vance, called women such as Harris "childless cat ladies," in the slipstream of xenophobic, sexist, and quacking duck-whistle insults.

Objectively, Harris faces an uphill battle whatever the polls may indicate. To outsiders, the mystery is how someone as crass and divisive as Trump could be the Republican Party nominee. Here is a profane Vietnam-era draft dodger who disdains war veterans and is openly contemptuous of democratic norms. Obliquely, he has signalled to his hard-core supporters that they may not need to vote again after the next election. Remarkably, moderate Republican leaders, browbeaten but hungry for power, have refused to condemn Trump's volatility and putrid rhetoric.

Long renowned as a nation of immigrants, the land of the free, and a beacon for the rule of law, it would appear that such values endured as long as white Americans felt comfortable in their own skin. With or without mass immigration, demographic trends foreshadow the US becoming a minority white republic within decades. Obviously unhinged, when Trump barked that "immigrants are poisoning the blood of our country," channelling the insidious 'great replacement theory,' he was mobilising his conspiracy-theorist and nativist base.

To top it all, a craven US Supreme Court recently expanded executive powers in its presidential immunity decision. This partisan and febrile atmosphere has emboldened Trump's right-wing enablers to unveil a reactionary blueprint for his "second term" (captioned Project 2025), aimed at reversing the 'economic carnage' and socially-permissive hellscape attributed to the Democrats. Characteristically if disingenuously, Trump disavowed the 900-page document, in order to deflect public criticism.

Analysts despair that the US is facing an existential threat from within — predicated on vicious culture wars and intense polarisation — as distinct from climate change hazard or the peril of nuclear Armageddon. As racial absolutists tie themselves up in knots in a melting pot, carving out a schizophrenic apartheid system would seem geographically and politically infeasible, since large coastal states like California and New York will certainly baulk at the disintegration or balkanisation of their country.

Seriously, are extremists truly prepared to sacrifice America's representative democracy on the altar of winning political power at all costs? In immature democracies, suspension of constitutional rule is usually followed by bare-knuckle or undisguised tyranny. But who can fathom the jeopardy of illiberal overhang if the US can no longer hold free and fair elections? If Trump's scorched-earth strategy succeeds, then all bets are off. Were he to lose and not concede for the second time, could that tip American democracy over the edge? Literally, this portrays a rattled and divided nation flailing between the mighty Rockies and two gigantic oceans.

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These NASD boardroom intrigues require SEC's urgent intervention

SOLA ONI

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STRUGGLE FOR OWNERSHIP and control is brewing at the board of Nigeria's premier Over-the-Counter (OTC) Exchange, NASD PLC., sending horrendous signals that unless the Securities and Exchange Commission (SEC), wields a big stick to calm the raging storm, the NASD's 11th Annual General Meeting (AGM), may end up as a theatre of verbal war.

By the SEC's approved Notice of Meeting, scheduled for Thursday, September 24, 2024, at Colonades Hotel, Ikoyi Lagos, and published in two national newspapers, one of the items in the ordinary business, is "To re- elect the following Directors, who retire by rotation at this meeting and being eligible offer themselves for re-election: Mrs Kenechi Ezezikah, Mrs. Olayimikah Bollo and Mr Ishmael Ebhodaghe."

Miffed by the re-election item in the Notice, VFD Group, a major institutional investor, is spoiling for a fight on the grounds that some Directors with recent appointment dates should not be presented for re-election when there are Directors who have been serving for long.

The group also took a swipe at the financial performance of NASD over the years. It argued in a statement signed by its Head, Investor & Relationship Management, Chindima Chukwueke-Okolo, in its 11 years of operation, NASD has posted eight losses, including N79 million and N69 million in 2022 and 2023 respectively. VFD is calling for a strategic refresh. The concern is normal and expected. It is a case of value for money on the part of investors.

But in what amounts to a ding-dong argument, NASD's management says the re-election clause in the Notice of Meeting is consistent with the Company's Memorandum and Article of Association. On the weak balance sheet, typified by losses over a long time it ascribed this to challenges associated with attracting companies for admission into OTC Exchanges in a country like Nigeria. This sounds strong and plausible. It has become a heavy lifting even for a conventional securities exchange, Nigerian Exchange Limited (NGX), to meet target on quotation per annum for a long time. The management also maintains that no strategic decision has ever been made without involvement of representatives of VFD and other major stakeholders.

The on-going recapitalisation of banks has just begun to revamp the comatose primary market in Nigeria. If there is a silver bullet to attract companies for quotation, NGX would have deployed it to attract many blue chips over the years. But the story has been more of delistment than listing when a quoted company realizes that bottom-line does not justify the cost of post listing requirements. The stark reality is that both NGX and NASD operate in the same uncertain macroeconomic environment, where the economy is the underlying asset and both Exchanges are simply derivatives in a way. Quotation drive is no longer a walk in the park where clamour for fixed income securities is gaining traction.

The unfolding drama at NASD has again brought into fore the need for the capital market apex regulator to take a critical look at the shareholding structure of both securities exchanges and the companies that they service by way of listing or admission.

In my piece titled: "Deconstructing the Transcorp Equity Deal of Otedola, Elumelu", published by many national dailies and online platforms in June 2023, I highlighted the spate at which hostile takeover by deep-pocket corporate raiders is taking a toll on our quoted companies. This can discourage potential entrepreneurs from bringing their companies for quotation. It is true that quotation has many benefits but nobody wants to toil for a raider to come from nowhere and take over full control.

In a similar vein, I raised concerns that NGX was becoming a target of acquisition by investors with financial muscle. My thoughts and submissions were captured in my piece entitled: "NGX in the throes of Booby Trap", published in October 2023 in some tier-one national dailies and online platforms. I cautioned that if care is not taken, stockbrokers shall wake up on one fateful day to discover that NGX is no more.

NGX accounts for 17 percent of the Nigerian Gross Domestic Product (GDP) with potential to contribute higher if the economy improves. The Exchange itself is a national asset. If it becomes a one-man show, what happens in the event that the sole owner runs foul of the law and the market becomes one of the assets to be taken over? What becomes of the listed companies? The SEC should begin to initiate fresh conversations to address concentrated risk in the securities market. It is all about investor protection.

NASD has to deliver value to its stakeholders. The company has to rebrand so that the target market can appreciate the benefits of admission into the Exchange. It must upscale its visibility. The management has to dangle more carrots to make the processes of admission less expensive.

The OTC Exchange says it has traded N42. 64 billion by week 34 this year as against N37. 57 billion in the entire 2023. Its Enterprise Portal platform worth over N2 billion has commenced operation on a gradual basis. The Exchange has also developed an endowment CrowdFunding Platform - VentureRamp for alumni associations and community groups to initiate small and large scale projects in a structured and transparent way. NASD will soon issue Digital Securities Platform N-DSP, which is being implemented under the SEC Regulatory Incubation. With this trajectory, the Exchange is optimistic to close the year with a profit and likely pay a dividend for the year.

But the owners must not subject the management to undue interference and over-ambitious expectation as many cooks spoil the broth. Just like it is happening in some of the quoted companies on NGX, abuse of proxy has become a new wave of hostile takeover. The Commission should frown at this with time-tested regulatory approaches.

We cannot underrate the political clout of experienced professionals. We should not sacrifice experience with robust industry knowledge on the altar of whiz-kids and Gen Z through youthful drive to turbo-boost organisations. Many youths are overrated in terms of depth and still require tutelage of experienced practitioners. At 78, Janet Yellen is in charge as the United States' Secretary of Treasury and the country is the largest economy by GDP.

Ueda Kazuo is the Governor of the Bank of Japan. He is 72. At 93, the celebrated American investor and chairperson of Berkshire Hathaway, Warren Buffett, is making rational investment decisions.

Some highly respected Nigerians in the financial market possess exceptional experience that should not be discarded. These are professionals of all seasons with top-notch achievements. They enhance the credibility of a board. There is no doubt that we must all embrace technology in order to remain relevant. But good as Artificial Intelligence (AI) is, it cannot assess emotion. Everything has a fault line.

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PROJECT SYNDICATE - BUSINESS A.M. PARTNERSHIP

PROJECT SYNDICATE

What's Driving Africa's Protests?

KEHINDE A. TOGUN

Kehinde A. Togun, Managing Director for Public Engagement at Humanity United, is a non-resident fellow at the Centre for Democracy and Development and a member of the board of Partners West Africa Nigeria.

WASHINGTON, DC – Young people have been leading large-scale protests in two of Africa's most influential countries, Kenya and Nigeria. While many of the protesters' demands are unlikely to be met, the demonstrations highlight the urgent need for fundamental reforms, not only in Kenya and Nigeria, but across Africa.

In Kenya, young people first took to the streets in June to execute "seven days of rage" – massive and largely peaceful protests against a proposed finance bill that would increase taxes on a wide range of goods and services at a time when the cost of living is surging. Thousands stormed Kenya's parliament, and President William Ruto deployed the military to carry out a violent crackdown that, in the ensuing weeks, left at least 39 dead and nearly 400 wounded. More than 600 protesters have been detained.

Despite initially vowing to quash the protests, Ruto soon conceded that the people had spoken, withdrew the bill, and dissolved his cabinet. Yet the protests – including calls for Ruto's resignation – continued, with young people demanding action to address deep-seated problems like government corruption, mismanagement of public funds, and inadequate checks on the executive's authority.

The Kenya protests inspired young Nigerians, who announced ten days of anti-government protests during August. Their grievances, too, are largely related to the economy and poor governance. Fuel costs rose exponentially after President Bola Tinubu scrapped a longstanding subsidy last year. And the naira's value plummeted following the central bank's decision to allow market forces alone to determine the exchange rate.

Now, ordinary Nigerians – who already face high unemployment – are being crushed by inflation and food and power shortages. Yet, as in Kenya, their attempts to be heard have been met with state violence – more than 20 are dead, and hundreds more have been arrested – and curfews, even as political leaders have paid lip service to their demands.

The problems driving recent protests are hardly confined to Nigeria and Kenya. High unemployment is taking a toll on educated urban youth in many parts of Africa. Moreover, many leaders across the continent implement economic reforms that disproportionately burden ordinary citizens, while elected officials continue to enjoy extravagant lifestyles. Many African countries have records of human-rights violations, which go unpunished. Achieving a more stable, prosperous future in Africa requires action in all these areas.

Begin with the prevailing approach to economic reform. Both Ruto and Tinubu would argue that their controversial policy proposals were in their countries' interest. Ruto's finance bill was designed to reduce the budget deficit, rein in public debt, and satisfy lenders like the International Monetary Fund (which halted funding to Kenya after the bill was withdrawn). Similarly, Tinubu's decision to end fuel subsidies aimed to ease pressure on public finances, while the change to the exchange-rate regime was supposed to stabilize the economy and attract investment.

But implementing austerity measures without considering people's ability to weather them shows a lack of empathy – even disdain. If the terms of a loan agreement are too onerous, it is the government's job to renegotiate them. Technocrats and responsible politicians must signal to the IMF that demanding reforms that will take an excessive toll on ordinary people leaves countries vulnerable to unrest, while undermining the Fund's legitimacy – and that of other international institutions – as a partner of African countries.

In any case, if African governments are serious about reducing deficits and debt, they should first look inward. Elected officials in Kenya and Nigeria are not only among the world's highest-paid; they also benefit significantly from "constituency development funds" – essentially slush funds for politicians. Kenya's government is particularly bloated.

Curtailing such expenditure is urgent and would be a strong good-faith gesture to young people. A radical increase in transparency – showing how public money is spent at the national and sub-national levels and enabling easier tracking of these expenditures by citizen groups – would also help. Public commitments, such as through the Open Government Partnership, are a good first step, but only if they are quickly backed by action. All of these efforts are prerequisites to reducing corruption.

A third piece of the reform puzzle is ending impunity for state violence. The recent crackdowns are, after all, nothing new in Africa. In Nigeria, the 2020 protests against police brutality were met with yet more violence by security agents, who have faced no accountability whatsoever. Last year's cost-of-living protests in Kenya were also met with violence, for which no one has been held accountable. Similar stories can be told about many other African countries, where repression is often widespread.

Ending such impunity is an essential first step toward building a peaceful and prosperous civic order. Accountability should start with the individuals who directly inflict the violence, whether police or military, but must also extend to those in command. When protests erupt, government must engage with the demonstrators and find credible ways to respond to their demands. Arrests should be made only when actual crimes are committed, and the accused must be given swift and fair trials.

Despite violent crackdowns, Kenyan youth are still protesting, and their Nigerian counterparts have pledged to return to the streets if their demands are not met. Other countries, such as Uganda, are also facing anti-government and anti-corruption protest movements. As long as governments lean on repressive tactics, rather than undertaking meaningful reforms, such upheaval will continue.

VISIONARY VOICES

Rethinking Emissions Targets in Developing Countries

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BUENOS AIRES – Despite committing to nationally determined contributions (NDCs) in the 2015 Paris climate agreement to limit global warming, countries have struggled to meet their emissions-reduction targets. This is particularly true for developing countries, where pressing economic and political challenges tend to overshadow long-term climate objectives.

Implementing effective climate policy requires a shift in thinking. Climate change is both a negative externality and an inequality problem, raising the question of who should bear the costs of climate action within and between countries. Policymakers should focus more on the complicated tradeoff between economic efficiency and equity to ensure that developing countries do not shoulder the burden of the rich world's historical carbon dioxide emissions, and that measures are in place to safeguard future generations.

Of course, the Paris agreement set clear goals while adhering to the principle of "common but differentiated responsibilities," which means that all countries are responsible for addressing climate change, but not equally so. But there is still a tendency to focus on uniform targets. Consider the global push for net-zero greenhouse-gas (GHG) emissions by 2050 – a complimentary long-term goal outlined in the Paris agreement, and one with respect to which many developing countries remain far off track.

To achieve this ambitious goal, countries must be able to devise climate policy based on their capabilities and historical responsibilities, rather than adopting a one-size-fits-all strategy. Recent research suggests that this would require net-negative emissions targets for high-income countries, while allowing low-income countries to generate net-positive emissions. Of course, such differentiation is not a free pass: developing countries would still have to reduce GHG emissions. But this approach, embodying the spirit of "common but differentiated responsibilities," better reflects their economic conditions and development needs.

Moreover, financial assistance from developed to developing countries to support climate action has been ineffective, owing mainly to transparency and accountability problems. In this context, the same study finds that carbon sequestration and capture, whether through technological innovations or natural solutions, could be a politically feasible alternative to direct monetary transfers. Enabling each country to monitor its own efforts to absorb carbon could bring the world closer to net-zero emissions while respecting diverse national circumstances.

Emissions in Latin America, for example, are split almost equally between energy, agriculture and livestock, and land use, whereas they are largely energy-related in the United States and Europe. Promoting sustainable agricultural and livestock practices – as opposed to focusing solely on decarbonizing the energy system – could therefore help reduce emissions in the region, as well-managed pastures and soil can increase carbon sequestration. This approach would also align private incentives with social returns by revaluing land and allowing farmers to remain internationally competitive.

The case of Argentina illustrates how improving the sustainability of agriculture and livestock could play a pivotal role in the transition to a green global economy. A series of economic crises, coupled with increasing political volatility, have led the Argentinian government to focus more on immediate problems than climate policy. But given the country's position as a leading food producer, revamping these industries could help it enhance climate mitigation and adaptation – and contribute meaningfully to international goals – while recognizing its economic conditions and development needs.

This year, Argentina began certifying the production of carbon-neutral beef, a program that could reduce emissions if implemented correctly. The country has already started to embrace sustainable practices such as regenerative livestock farming, which increases carbon sequestration, productivity, and profitability by restoring the soil's natural fertility. Moreover, Argentina is among the countries with the highest rates of no-tillage farming. This practice, which also helps store carbon, was used on more than 90% of its agricultural land in 2019-20.

Addressing domestic inequality is equally crucial in shaping effective climate policies in Argentina and other developing countries. Ongoing research demonstrates that conventional approaches, including uniform carbon taxes, fail to account for nuanced socioeconomic disparities. Implementing progressive taxation based on income levels or consumption patterns, such as higher taxes for frequent flyers, may yield better outcomes. Regardless, this problem demands innovative policy solutions that mirror the complexity of global climate governance.

Framing climate change as an inequality problem does not require compromising on global goals; rather, it underscores the importance of differentiated targets. Many developing countries remain a long way away from a fully decarbonized energy system. While taking steps toward that end, these countries should be encouraged to implement climate policies that harness innovations and alternative strategies for reducing emissions.

These NASD boardroom...

Continued from page 10

NASD must be protected from what is fast becoming a reverse takeover in slow motion. The time has come for the SEC to review the policy of shareholding in the securities exchange.

Regulatory agencies have no justification to invest in securities exchanges to avoid conflict of interest. It is an abuse of corporate governance for a Director to serve on the Board of more than one securities exchange

There should be a rule that no shareholder can own more than 5% of the issued shares of a securities exchange. The 5% rule already exists for quoted companies by way of disclosure but heavy capital gain tax can be imposed on anyone that breaches the rule through clandestine means. It is done in other jurisdictions.

Any investor that holds up to 3% of a securities exchange deserves additional scrutiny by the Commision. As part of investor protection strategy, there should be a regulatory limit to nominee shareholding in a securities market to prevent abuse. Securities exchanges in Nigeria should be hedged from hostile takeover under any guise.

As SEC's director general, Emomotimi Agama has warned market operators to comply with the rules or face consequences, it will be a game-changing intervention, if the corporate governance gaps in the Nigerian capital market are addressed with dispatch.

Stakeholders at Zenith Bank trade seminar canvass value addition for non-oil exports

Business a.m. Reporter

MORE EFFORTS HAVE BEEN canvassed for value addition to take the pride of place in Nigeria's non-oil products for export, stakeholders showed at a recent international trade seminar organised by Zenith Bank Plc.

In its ninth edition, the annual event had as theme for this year, "Nigerian Non-Oil Export Industry: Awakening the Giant", where stakeholders described the value addition being sought to include processing the products into semi-finished and finished goods in order to unlock their significant economic benefits for the country.

Adaora Umeoji, group managing director and chief executive officer, Zenith Bank Plc, welcoming participants to the event, highlighted the importance of non-oil export as a catalyst for job creation.

"Our theme 'Awakening the Giant' speaks directly to the untapped potentials within the non-oil segment of the economy and how to optimise them. This involves an increase in the number and volume of exportable non-oil items and value addition to exportable items into finished products. Increasing the number and volume of exportable non-oil products implies more business for you, our esteemed exporters, and increased foreign exchange earnings for our country.

In addition, this sector will drive employment generation for Nigerian youths who constitute 60% of the estimated 233 million population, and Zenith Bank is committed to being at the forefront of these efforts," she said.

Segun Awolowo, secretary, National Action Committee, AfCFTA, in a keynote address, commended Zenith Bank and its leadership led by Jim Ovia, founder and chairman, for its laudable initiative in organising an annual export seminar targeted towards exploring opportunities for growth in Nigeria's non-oil export industry and for its consistent exploits in supporting the implementation of the AfCFTA.

L–R: Adamu Lawani, executive director, Zenith Bank Plc; Akin Ogunranti, executive director; Abba Bello, managing director, Nigerian Export-Import Bank (NEXIM); Folashade Ambrose-Medebem, representative of the governor of Lagos State, and commissioner for commerce, cooperatives, trade and investment; Adaora Umeoji, group managing director/CEO, Zenith Bank Plc; Segun Awolowo, secretary, National Action Committee, AfCFTA; Adobi Nwapa, executive director; Henry Oroh, executive director; and Louis Odom, executive director, at the 9th annual edition of the Zenith Bank International trade seminar on non-oil export held at the Civic Centre, Lagos, recently.

Commenting on the theme of this year's export seminar, he added that "In awakening the giant, we must focus on scaling production, productivity and value addition for some specific export products with high potential across three main sectors – solid minerals, agriculture and petro-chemicals. We should also aim to capture at least 5% of the global trade and export volumes for these products. Additionally, in the genie bottle is the services sector, which is not only a major contributor to Nigeria's GDP but also a key driver of economic diversification, job creation, and innovation."

Abba Bello, managing director, Nigerian Export Import Bank (NEXIM), in his own keynote emphasised the need to amplify the export of services in order to facilitate economic growth.

"A key area that needs mentioning is the need to intensify efforts to support the promotion of export of services to leverage on the sector's economic strength in which the services sector annually contributes over 50 percent to the GDP. Specifically, strategic frameworks need to be developed to complement the current government's $620 million programme under the Digital and Creative Enterprise (IDiCE), which is designed to empower youths to create IT and skilled/technical jobs that could promote and expand export of ICT and creative industries products and services," Bello said.

Governor Babajide Sanwo-Olu of Lagos State, in a goodwill message presented on his behalf by Folashade Ambrose-Medebem, commissioner for commerce, cooperatives, trade and investment, highlighted the efforts of the Lagos State government in facilitating non-oil export for the growth of the Nigerian economy.

He said, "This seminar's theme resonates deeply with the strategic objectives of the Lagos State Development Plan 2052. Nigeria's creative economy is a powerful engine of growth and a key pillar of our export diversification strategy. Our focus is on value addition transforming raw agricultural products into finished goods that command higher prices in international markets. For instance, Lagos State is rapidly becoming a hub for the processing of cocoa, cashew nuts, palm oil, and sesame seeds. These products, when processed and packaged to international standards, can significantly boost our export revenues and create thousands of jobs for our citizens.

The manufacturing sector offers another promising avenue for export diversification. Our vision is to transform Lagos into a global manufacturing hub, where high-quality, made-in-Lagos products are exported to every corner of the globe," he further stated.

Also in his goodwill message, Governor Abba Kabir of Kano State, represented by Usman Bala Muhammad, the special adviser, state affairs, emphasised strategic advantages in economic diversification in non-oil exports.

"Our strength begins with agriculture, which has been the cornerstone of our economy for decades.

Kano's agricultural sector has a strong base that we are leveraging for diversification. However, diversification is not just about increasing crop yields; it is about adding value. Through strategic investments in agro-processing, we are converting raw agricultural products into finished goods, creating jobs, and enhancing local consumption. By aligning our export diversification strategies with global market trends and standards, and leveraging opportunities such as the African Continental Free Trade Area (AfCFTA), we can significantly expand Nigeria's non-oil exports to African markets and beyond," the governor said.

On diversification, Governor Dauda Lawal of Zamfara State, represented by Abdullahi Bello Auta, urged stakeholders to explore other untapped areas for export.

According to him, "One major important sector which contributes to non-oil export which is not harnessed and which is giving us a lot of trouble simply because it is not organised is the mining sector. I can tell you with all sincerity and courage that once we are talking of mineral resources in Nigeria, Zamfara state is the hub. There is no single solid mineral that you can talk of that you cannot find here in abundance and in good quality."

Zenith Bank launched the Non-Oil Export Seminar in 2015 as an initiative to deepen the discourse on promoting the non-oil export business in Nigeria, and remains committed to promoting the non-oil export sector in Nigeria by identifying emerging opportunities which help stimulate non-oil exports and develop robust financial products as well as incentives for operators in the sector.

Euromoney names GTBank best bank for CSR in Nigeria

Business a.m.

GUARANTY TRUST BANK LTD (GTBank), the flagship subsidiary of Guaranty Trust Holding Company Plc (GTCO), one of the largest financial services institutions in Africa, has been named Best Bank in Corporate Social Responsibility in Nigeria at the prestigious Euromoney Awards for Excellence 2024.

This recognition underscores GTCO's unwavering commitment to excellence, going beyond offering innovative financial services and creating more value for its stakeholders to enriching lives and constantly exploring new opportunities to drive positive change in society.

Announcing the award, Euromoney highlighted the range and impact of GTCO's CSR initiatives spanning education, health, community development, and financial inclusion. Over the years, Guaranty Trust has not only led with innovation and service excellence, but also consistently demonstrated a steadfast dedication to making a positive impact and creating shared value through CSR. Central to these efforts are its consumer-focused events—the GTCO Food and Drink Festival and the GTCO Fashion Weekend—both of which offer free business platforms for budding as well as established entrepreneurs to showcase their talents, share their unique stories, and connect with a broader audience. The Annual GTCO Autism Programme, an offshoot of the Orange Ribbon Initiative, aims to provide ongoing support for persons with developmental disabilities, focusing on those with autism spectrum disorder (ASD).

Commenting on the award, Segun Agbaje, Group CEO of Guaranty Trust Holding Company Plc, stated: "As a Proudly African institution, we recognise that our success is inextricably linked to the well-being of the society in which we operate.

China vows $51bn in investment to deepen economic partnership with Africa

Business a.m.

CHINA HAS UNVEILED A $51 BILLION package of fresh financing for African countries, supporting 30 infrastructure projects and creating at least one million jobs across the continent.

President Xi Jinping confirmed the development during his keynote speech at the Forum on China-Africa Cooperation (FOCAC) summit, an international conference promoting collaboration between China and African nations, where he addressed delegates representing over 50 African countries, including Nigeria's President Bola Tinubu.

Outlining the $51 billion financing package, the Chinese leader emphasised that the Chinese economy, valued at $19 trillion, would open its doors even wider to African trade, paving the way for enhanced access to the lucrative Chinese market for African nations.

The Forum on China-Africa Cooperation Summit in Beijing sets a three-year agenda for ties between the world's second-largest economy and the world's fastest-growing continent.

President Xi outlined his ambitious vision for the future of China-Africa relations, focusing on the development of clean energy infrastructure across the continent.

He also declared China's readiness to initiate 30 clean energy projects in Africa, as well as provide support for the continent's nuclear energy aspirations, addressing a longstanding power shortage that has hindered Africa's broader industrialisation goals.

In addition, President Xi disclosed that China is geared up to undertake 30 infrastructure connectivity projects in Africa, with the aim of creating a comprehensive China-Africa network that combines land and sea transportation links, enabling the seamless movement of people and goods across the continent and facilitating synchronised development.

"We are ready to assist in developing the African Continental Free Trade Area, and deepen logistics and financial cooperation for the benefit of trans-regional development in Africa," he added.

President Xi also disclosed that China is poised to allocate 360 billion yuan ($50.72 billion) in financial assistance to African countries. Of this sum, 210 billion yuan will be offered as credit lines to African states, with at least 70 billion yuan earmarked for new investments by Chinese businesses. The remaining funds will be allocated to military aid and other initiatives that support African countries.

The extensive financial package is expected to inject a substantial boost into African economies, foster greater business cooperation between Africa and China, and propel economic progress across the continent. In the face of a widening economic and diplomatic divide between China and the West, including the United States, the Asian giant is stepping up its efforts to deepen its influence in Africa.

This concerted push comes at a time when China's economic growth is being affected by issues such as a prolonged housing market slump and a declining population. By investing in Africa's infrastructure, clean energy, and other sectors, China is attempting to position itself as a key partner and ally on the African continent, even as it faces domestic challenges.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	96,433.53	3,579.87	8,164.12	39,118.86	5,460.48	79,707.11	17,732.60
CURRENT	0.15	0.28	-0.19%	-0.12%	-0.41%	0.93%	0.71%
YEAR TO DATE	28.97	28.30	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	80.12	-0.01	-0.01	540
BRENT	82.64	0.01	0.01	91,282
NAT GAS	2.182	0.054	2.54	10,501
RBOB GAS	2.451	0.001	0.04	1,658
GOLD	2,402.90	3.8	0.16	51,560
SILVER	29.24	-0.059	-0.2	16,227
COPPER	968.6	-5.3	-0.54	7,361
PALLADIUM	4.231	-0.006	-0.14	20,751
WHEAT	900	-2.3	-0.25	1,493
SOYBEAN	501.5	UNCH	UNCH	0
CORN	551	8.25	1.52	6,825
SUGAR	1,112.25	15	1.37	3,621
COFFEE	411	6.25	1.54	21,948
COTTON	18.65	-0.01	-0.05	3,867
ROUGH RICE	238.7	0.5	0.21	1,412
COCOA	71.06	0.36	0.51	1,828
	14.39	0.15	1.05	54

NGX endures bumpy ride as investors lose N83.55bn

Onome Amuge

NIGERIAN EQUITY INVESTORS HAD a bumpy ride on the floor of the Nigerian Xchange Group (NGX) as the market capitalisation of equities dipped to N55.39 trillion, in stark contrast to the previous week's impressive gain of N348.34 billion, which pushed the market cap to N55.47 trillion.

The NGX data showed that equities market capitalisation was down by N83.55 billion to N55.39 trillion from the previous week's N55.47 trillion. Reflecting this decline, the All-Share Index (ASI) shed 0.15 percent, closing the week at 96,433.53 points compared to the 96,579.54 points recorded the week prior.

The Nigerian equities market started the week off with a bang on Monday, September 2, 2024, with investors pocketing N123 billion by the end of the trading session. The trend continued on Tuesday, September 3, 2024, as investors raked in another N45 billion by the close of trading. However, the party was cut short on Wednesday, September 4, 2024, as the market suffered a setback, with investors nursing a loss of N193 billion at the end of the trading session.

The bears reared their heads yet again on Thursday, September 5, 2024, as the market took another beating, with investors reeling from an N188 billion loss by the close of the trading session. However, the market rallied back on Friday, September 6, 2024, with investors managing to recover some ground by the end of the trading session, recording a gain of N128 billion.

The equities market saw a total of 2.141 billion shares worth N51.217 billion traded in 55,603 deals on the floor of the Exchange during the week, a decline from the previous week's turnover of 2.821 billion shares valued at N53.048 billion in 50,488 deals.

The financial services industry dominated the activity chart for the week, with 1.229 billion shares worth N19.976 billion traded in 20,701 deals. This industry accounted for 57.40 percent of the total equity turnover volume and 39.00 percent of the total equity turnover value.

The oil and gas industry, although not at the forefront, played a significant role in the Nigerian equities market, with 262.484 million shares worth N17.996 billion changing hands in 14,275 deals. This sector contributed 12.24 percent of the total equity turnover volume and 35.22 percent of the total equity turnover value.

The services industry came in third place with a total of 155.587 million shares worth N532.941 million traded in 3,558 deals, representing 7.25 percent of the total equity turnover volume and 1.04 percent of the total equity turnover value.

Access Holdings Plc, Oando Plc, and Zenith Bank Plc emerged as the top three most actively traded stocks for the week, with a combined turnover of 517.336 million shares worth N24.454 billion traded in 15,502 deals. The three companies contributed 24.16 percent of the total equity turnover volume and a substantial 47.75 percent of the total equity turnover value.

Also of note, IMG, BERGER, and E-TRANZACT emerged as the standout performers in the market. IMG took the top spot with a 56.57 percent increase in its share price. BERGER was in second place with a 31.12 percent gain, while E-TRANZACT rounded out the top three with a 20.59 percent share price uptick.

On the opposite end of the spectrum, RTBRISCOE, FTNCOCOA, and OMATEK, suffered the biggest share price losses for the week.

RTBRISCOE was hit the hardest, recording a 27.61 percent decline in its share price, followed by FTNCOCOA, which saw its share price plummet by 18.38 percent. OMATEK also joined the ranks of the biggest decliners, shedding 18.18 percent of its share price.

L-R: Murtala Tahir, business development manager, Zamfara, FirstBank; Yusuf Salihu, group head, retail banking group, Northwest 2, FirstBank; Amina Muhammad Zuru, cashout promo winner; Abubakar Lawal, business manager, Zuru Branch, FirstBank; and Mundi Dakot, relationship manager, Zuru Branch, FirstBank, at the cheque presentation to the winner of the FirstBank FirstMobile Cashout Promo 2.0 at Zuru branch, recently

BoI £1.43bn record-breaking loan syndication oversubscribed by 42.5%

Business a.m.

THE BANK OF INDUSTRY (BOI) has successfully secured €1.43 billion from a global loan syndication, surpassing its initial target by 142.5 percent.

The historic transaction also represented a 42.5 percent oversubscription as the bank was able to capitalise on the syndicated loan market, leveraging the support of the Africa Finance Corporation (AFC), which provided full and partial guarantees on the facility.

In July 2022, the Bank of Industry had previously raised €1 billion through a syndicated term loan facility, which was repaid in full by July 2024, proving the institution's fiscal stability and trustworthiness. The performance represented a mark of confidence in the bank and the Nigerian economy by foreign investors who perceive a bright future for the country.

Olasupo Olusi, the managing director and chief executive of the Bank of Industry, affirmed in a statement that the funds raised through the loan syndication will be used to meet the increasing demand for BoI funds across the country.

Olusi stated: "This is the largest syndication in the bank's history and is testament to the hard work and dedication of the management of BoI to ensuring that much needed low interest and longer tenured funds are available to Nigeria's growing private sector in line with the vision of His Excellency President Bola Ahmed Tinubu.

"We are grateful for the support received from the CBN and other agencies of government."

The BoI MD also reassured stakeholders that the bank would continue to forge partnerships with global development financial institutions to guarantee improved loan terms for the Nigerian private sector.

Concerning the landmark transaction, BoI appointed the Africa Finance Corporation and Standard Chartered Bank as the global coordinators of a €1 billion syndicated term loan facility, with the option to increase the loan size by an additional €1 billion, highlighting the bank's strategic vision to diversify its sources of funding and further strengthen its position in the market.

AFC, African Export-Import Bank, First Abu Dhabi Bank PJSC, FirstRand Bank Limited (London Branch), acting through its Rand Merchant Bank division, Mashreqbank psc, SMBC Bank International plc, and Standard Chartered Bank were named as the Initial Mandated Lead Arrangers and Bookrunners for this landmark loan syndication.

Furthermore, Absa Bank Limited, through its Corporate and Investment Banking division, and its affiliates, as well as the Export-Import Bank of India London Branch, have joined the facility as Initial Mandated Lead Arrangers, further expanding the pool of global financial institutions supporting the BoI's development efforts in Nigeria.

Boasting the backing of a strong cohort of lenders and a team of well-respected mandated lead arrangers, the Bank of Industry expressed its optimism in achieving a successful outcome in the ongoing general phase of the loan syndication process.

IMF says EM countries to tap foreign sources for funds

Onome Amuge

THE INTERNATIONAL MONETARY FUND (IMF) has expressed optimism that emerging market countries will increasingly turn to international capital markets to tap into foreign funding sources in the near future. This trend is expected to become more prevalent in the coming months, allowing emerging economies to further diversify their sources of finance.

In a report titled "Fed Rate Cuts May Help Revive Bond Flows to Emerging, Developing Economies," the IMF explained that the Federal Reserve's easing cycle, which includes a reduction in interest rates, has the potential to trigger a resurgence in Eurobond issuance and overall capital flows to emerging market and developing economies, such as Nigeria.

The IMF highlighted the historical tendency for capital flows to emerging markets and developing economies to experience cyclical fluctuations, frequently influenced by external factors such as shifts in monetary policy in major advanced economies. The fund noted that in recent decades, these countries have encountered a series of boom-bust cycles, where a period of strong capital inflows was often followed by a sudden reversal, often triggered by changes in monetary policy in major economies, such as the U.S.

"During the recent global monetary tightening, inflows to many emerging markets and developing countries proved relatively resilient, benefitting from robust policy frameworks and healthy international reserves. However, some of the most vulnerable countries were disproportionately affected by higher external borrowing costs, as illustrated by a sharp slowdown in Eurobond issuance," the financial institution stated.

The recent uptick in Eurobond issuance by emerging markets and developing countries has signalled a recovery in the global capital markets. In the first quarter of 2024, Benin and Côte d'Ivoire were among the countries that returned to the Eurobond market, which saw a total issuance of $40 billion in this period.

As explained by the IMF, Eurobonds are debt instruments issued by sovereign entities in a currency that differs from their domestic currency, typically the US dollar or the euro.

Quoted Insurers

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

Experts push life insurance as catalyst for prosperity, stability

● Heirs Life CEO wants awareness, utilisation
● Says its investment option that offers more

Cynthia Ezekwe

THE GLOBAL ECONOMIC LANDSCAPE is becoming increasingly volatile and unpredictable, leaving many investors looking for a safe harbour. Insurance, with its promise of financial stability and security, is emerging as an essential component of any well-rounded investment strategy.

Within this space, life insurance is gaining traction as a critical tool that not only offers a safety net in the face of unexpected loss, but also provides a range of benefits that can support long-term financial growth and well-being. To this end, experts are now focusing on the importance of life insurance, emphasising its role in promoting peace of mind and resilience in an ever-changing world.

Reports show that contrary to popular belief, life insurance is not just a safety net for unexpected loss; rather, it is a multifaceted financial tool that offers a wide range of benefits. From providing a stable income stream and funding for business ventures, to supporting long-term wealth accumulation goals, life insurance has been recognised to serve as a crucial component of a comprehensive financial strategy.

With its unique blend of risk management, and wealth accumulation, experts have explained that life insurance is no longer just about leaving a legacy, but about creating a living legacy - one that empowers individuals and families to achieve their financial aspirations, even in the face of uncertainty.

Insurance experts have often noted that life insurance holds the future of insurance sector growth in Nigeria due to the fact that it is a line of business that affects everyone.

L-R: Faidat Abdullahi, chief strategy and growth officer, RegTech Africa; Mary Edet, experiential marketing associate, Moniepoint Inc; Ehi Enabs, software engineer, Wikimedia Foundation; Gbemi Adekanmbi, employer branding lead, Moniepoint Inc; and Wamide Animashaun, ecosystem and partnerships director, propel, at Moniepoint Women in Tech 4.0 mixer, which held in Lagos, recently

A common misconception about life insurance is that it only benefits survivors after the policyholder's death, which can lead people to believe that the premiums they pay are wasted if they don't die during the policy term. This flawed understanding causes many to overlook the potential benefits of life insurance, which can offer a wealth of advantages while policyholders are still alive.

In reality, life insurance policies can provide a variety of benefits to policyholders during their lifetime, including the potential for cash value accumulation, access to living benefits in the event of terminal illness, and even leverage for financial planning and estate planning purposes.

Niyi Onifade, managing director and chief executive officer, Heirs Life Assurance, a member of Heirs Insurance Group, in a media chat, underscored the role of life insurance in long-term financial planning and emergency preparedness, stressing the need for increased awareness and utilisation of life insurance as a valuable tool for retirement savings, future financial projects, and children's education.

The Heirs Life Assurance MD stated: "A life insurance plan offers what other types of investments cannot provide. The difference is in the name itself. A life insurance plan gives additional financial protection beyond what a customer has saved. That's why we say that your savings aspirations are fully guaranteed whether you survive or pass away.

"Customers keep money with financial institutions with the hope that they will remain alive. While this is the way we all think, the reality is that things don't always turn out that way. People die, and we all know what usually happens to the loved ones left behind. What the other financial institutions would do on the passing of a customer is to pay to the beneficiary the amount saved so far together with interest. Nothing more. Heirs Life, on the other hand, will go a step further to pay a pre-agreed sum to the beneficiary in addition to the accumulated savings and interest."

Onifade highlighted the unique value proposition of life insurance, emphasising its role in securing the future of dependents. He pointed out that life insurance can replace the lost income of the breadwinner, should they pass away, ensuring that dependents can maintain their standard of living despite the loss of the primary income earner.

This level of financial security, he explained, is made possible through the foresight of planning and investment in a life insurance policy.

"We all know what happens when a breadwinner passes away. We are familiar with how the wife and children are often without support in the absence of a life insurance cover. At Heirs Life, we help people realise the risks they face on a daily basis and provide them with fair, affordable, and sustainable products to protect them against those risks. Imagine a man who has obtained a loan to provide shelter for his family and suddenly drops dead thereafter. Without life insurance, his wife and children could find themselves under the bridge," the Heirs Life Assurance MD noted.

Despite the numerous benefits of life insurance, Onifade acknowledged the various challenges facing the industry in Nigeria. Key among these are low penetration rates, due in part to a lack of understanding about the importance of life insurance and its accessibility, as well as misconceptions about the cost and benefits of life insurance.

To overcome the challenges faced by the life insurance industry, Onifade proposed several measures that could help improve the sector's performance. These include simplifying products and processes to make them more accessible and understandable for consumers, enhancing education and awareness campaigns about the benefits of life insurance, leveraging technology to streamline operations and expand reach, and encouraging regulators to support innovation and growth within the industry.

Onifade asserted that by tackling these challenges head-on, the life insurance industry can unlock its full potential as a catalyst for financial prosperity and stability.

Leadway Assurance defies underwriting headwinds with robust investment strategy

THE RECENTLY RELEASED 2023 full year financial report of Leadway Assurance Limited shows a mixed bag of outcomes in one of Nigeria's leading insurers.

For instance, despite a strong showing by the company's investment portfolio, its underwriting income took a hit due to substantial claims arising from its engineering and oil and gas business lines, as well as the effects of naira devaluation.

The combined impact of these factors resulted in a significant decline in underwriting income by N20.7 billion, highlighting the tough business environment faced by the company during the year.

According to the composite insurer, the company's total investment portfolio stood at N556.9 billion as at 31 December 2023, an increase from N417.0 billion it recorded in 2022. The company's investment portfolio was dominated by local currency government bonds, which accounted for 59.4 per cent of the investment portfolio.

The insurer's capital base was significantly boosted by substantial unrealised foreign exchange gains of N68.2 billion from its net asset foreign currency (FCY) position as at the end of 2023.

Leadway also disclosed that it has extended its reach into the West African market, growing its operations in Cote D'Ivoire through two subsidiaries: Leadway Vie (life insurance) and Leadway IARD (short-term insurance). These subsidiaries, according to the insurance firm, collectively contributed 9.4 percent to Gross Written Premiums (GWP) in 2023, representing a 1.8% increase from their performance in 2022, with growth primarily driven by the non-life business segment.

Leadway's strong capitalisation is supported by good earnings generation and retention and is evidenced by shareholders' funds of N144.3 billion as of 31 December 2023.

In response to Leadway's remarkable financial performance, GCR Ratings, a leading ratings agency in Africa, has forecasted a continuous growth trend for the company over the next 12 to 18 months.

"Over the next 12-18 months, we expect continued growth in the premium income to maintain Leadway's leading position in the Nigerian market, supported by a wide distribution network, product drive and strong brand," GCR Ratings noted.

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OPERATIONS

Improving Access to Drugs: The Critical Role of Supply Chain Risk

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A SIMPLE WAY of thinking about medical criticality, supply chain risk and their interactions can lead to more sustainable solutions for drug shortages.

When pharmacists in France walked out of their counters en masse and went into the streets on 30 May, it was not just about their compensation and prospects. Their strike – the first in 10 years – surfaced a far wider problem.

While Covid-19 shone the spotlight on drug shortages, the problem exists even in the absence of large demand and supply shocks. In France, the shortage has been known to involve thousands of drugs, sometimes for months. Unreliable drug availability means pharmacists spend considerable time and effort in finding alternative solutions for patients.

An increasing problem in Europe and other parts of the world, drug shortages not only pose significant challenges for healthcare professionals, but they also put public health at risk by making timely, optimal treatment impossible. In worst-case scenarios, patient care is disrupted. In England, pharmacists have warned that drug shortages are at such critical levels that patients are at risk of immediate harm and even death. Key medicines for the treatment of type 2 diabetes, ADHD (attention-deficit/hyperactivity disorder) and epilepsy became unavailable in the UK in recent months. Outside of Europe, amoxicillin has been on the US Food and Drug Administration drug shortage database since October 2022.

Need for a structural, systemic solution

In fact, many countries have been facing structural challenges for years but have limited insight in how to resolve them. In the Netherlands, the estimated total cost of drug shortages is about EUR220 million in 2023. Drug shortage is a critical problem that needs a long-term solution. Unfortunately, most shortages are managed reactively, without accounting for the importance of supply chain risk. There is insufficient evidence of what works and little agreement among stakeholders on the causes of drug shortages. Overall, there is a lack of a systems view: stakeholders may propose interventions that may work well for a drug in the short term and in a specific country without considering the spillover effects in the long term, or on other drugs and other regions.

Those in charge of finding solutions are often stuck between a rock and a hard place: a high level of protection against shortages is expensive, while too little protection can reduce the quality of care of patients. In practice, blanket policies tend to be applied to all drugs, but this is not always feasible or cost-effective. For instance, while stockpiling would offer a high level of protection against shortage, it would have been prohibitively expensive for governments to stockpile all drugs.

We need a simple way to frame the differences between drugs and how that would lead to different interventions in addressing shortages.

Framing a two-dimensional issue

Together with researchers from five universities and the Norwegian Institute of Public Health, we embarked on a four-year study* of drug shortages in Belgium, France, Norway, Sweden, the Netherlands and the UK. As part of the study, we developed the Risk/Criticality Matrix (RCM) which consists of two dimensions: supply chain risk and medical criticality. Our matrix provides a pragmatic framework for classifying drugs and guiding decision-making.

Risk/Criticality Classification Matrix

Medical criticality refers to the clinical value of a drug. Life-saving drugs should always be considered high criticality (e.g. insulin, blood thinners, antibiotics for the treatment of sepsis, etc.), while drugs that improve lifestyle tend to be low in medical criticality. Other criticality factors include the number of people dependent on the drug and whether good substitutes exist.

The other dimension, supply chain risk, captures the likelihood of mismatches between supply and demand. The probability of demand shocks, the connectedness and agility of the supply chain, as well as the availability of information and coordination are the deciding factors.

Our matrix invites relevant stakeholders – particularly governments and international organisations responsible for securing access to drugs – to consider how medical criticality and supply chain risk interact dynamically. In practice, it takes a multidisciplinary team with the relevant skills and training to evaluate where each drug stands.

Even when a drug is accurately characterised and placed in the most relevant quadrant, the interdisciplinary team needs to consider the context, regulations and costs to determine the most appropriate intervention – one that is not too expensive nor jeopardises patient care.

Tackling the shortage of drugs classified as high in medical criticality requires effective, full control, which may involve continuous scans of the entire supply chain, and acting pre-emptively with speed. On the other hand, strategies to address shortage of low criticality drugs such as erectile dysfunction medications are focused on efficiency. Occasional shortages would be acceptable in exchange for substantial cost savings.

For drugs with low supply chain risks, the supply chains should be monitored, prioritising preparedness for unlikely shortages and having responsive mechanisms to address shortages should they occur. As for drugs with high supply chain risks, mitigation is the priority. This should focus on reducing the risk of shortages through measures such as stockpiling or reshoring production, while monitoring the supply chains and having reactive systems in place at the same time.

Arriving at appropriate interventions

Based on where the drug is placed in the matrix, the most appropriate interventions can be determined, depending on whether the focus is on monitoring vs. mitigation and efficiency vs. effectiveness. These are potential interventions for each classification:

Monitoring and efficiency: establish monitoring system to maintain a lean supply chain and develop contingency plans to respond to unlikely shortages.

Mitigation and efficiency: leverage data-driven forecasting to optimise inventory levels (while balancing shortage and costs) and diversify supplier base.

Monitoring and effectiveness: employ rapid response protocols and surveillance systems, as well as have collaboration networks in place to ensure collective effectiveness.

Mitigation and effectiveness: establish pre-emptive stockpiles and continuously invest in reducing supply chain risks e.g. relocate upstream manufacturing to nearby locations.

The matrix is by no means a static tool. It represents the first step in a continuous improvement loop that ensures interventions stay effective and aligned as conditions change. For instance, when a pandemic strikes, demand for medicines that may have been considered low in medical criticality (such as paracetamol) might quickly become critical. Or, when a brand-name drug becomes generic, it changes the supply chain structure (the number of suppliers and their geographical location/concentration) which may in turn alter the supply chain risk.

A tool to foster alignment and a systems view

Drug supply chains involve many stakeholders with potentially vastly different perspectives, incentives and objectives. Naturally, we can expect strong differences in opinions among doctors, distributors, manufacturers and other actors. Yet, a system cannot function properly if stakeholders are not aligned and committed to an agreed-upon intervention.

Bringing different stakeholders together in open discussion based on the matrix can foster mutual understanding. This leads to more constructive negotiations and improved alignment, which are essential in creating a shared understanding of the required resources, timeline, responsibilities and KPIs.

The approach proved useful to the Dutch government, which used our analyses on stockpiling in revising its drug stockpiling policy. From 1 January this year, the minimum stock requirement only applies to medicines that cost less than EUR 15 per pack, which run out about three times more frequently than more expensive drugs. Indeed, when diverse stakeholders are able to look beyond their own perspective and interests, it increases the probability that the most appropriate intervention can be identified. This can also provide opportunities for learning and collaboration, and potentially improved access to drugs at a wider, regional scale. For instance, Iceland, Norway, Denmark are small countries that often face difficulties in securing supply. However, together, they are stronger; collaboration among these Nordic countries have increased knowledge and purchasing power, and as such, reduces supply risk.

The complexity and sometimes opaqueness of drug supply chains demand a systems approach. Our matrix provides a simple tool with concrete steps to help stakeholders (such as a government or cross-industrial network) move towards a systems view. Every effort to gather more evidence, better align the many stakeholders and to move to a systems view will pay off.

* The research is a collaboration among: Thomas Breugem, Tilburg University; Iman Parsa and Luk Van Wassenhove, INSEAD; Kim van Oorschot and Marianne Jahre, BI Norwegian Business School; Christine Oline Årdal, Norwegian Institute of Public Health; Nonhlanhla Dube and Kostas Selviaridis, Lancaster University; and Harwin de Vries and Stef Lemmens, the Rotterdam School of Management.

LEADERSHIP & ORGANISATIONS

JOSE-LUIS ALVAREZ
Professor of Management Practice

Can Senior Politicians Teach Executives How to Lead?

HOW TO USE POLITICAL strategies for positive impact in the C-suite.

Though business and politics might seem like different worlds, there are increasing commonalities between leadership in these realms. As I explain in the second edition of Los Presidentes Españoles, which explores the success and failures of Spanish leaders since the return of democracy in 1978, executives can learn a lot from the strategies employed by political leaders.

After all, prime ministers and presidents are also managers. They preside over cabinets – their executive committees – through which they direct matters of the state. They often lead their political parties while simultaneously taking responsibility for the government's performance and facing up to public opinion, which can be more turbulent and unforgiving than any stock market.

Political balancing acts

Meanwhile, the role of CEOs is becoming increasingly political. Corporations are now expected to address geopolitical, environmental and social issues that may not always be aligned with their business mission. Senior managers often find themselves dragged into predicaments that they are not prepared for yet are unable to stay neutral or satisfy all stakeholders.

Similarly, politicians often need to make unpopular or imperfect decisions, such as German Chancellor Angela Merkel's move to open the German border to Syrian refugees in 2015. Merkel received international praise for her perceived act of compassion, but also faced political tensions over immigration within her country.

To navigate sensitive issues and the attendant tensions, politicians and business executives alike have to utilise a set of unique tools. While the latter use economic and intellectual capital to accomplish their objectives, politicians have an additional resource: political capital.

Political capital

Political capital can be composed of many and varied resources including credibility, and reliability, and can be used as currency to build alliances, coalitions, collective action or networks of support. It is purely relational, lacking in distinctive or concrete content, yet without it nothing of importance can be accomplished in the political realm.

Gerald Ford is an example of a US president with scant political capital, as are the string of British prime ministers since David Cameron resigned post-Brexit. Each of these leaders expended so much time and energy maintaining control that they actually achieved little of note. Political leaders are therefore very mindful of the value of this resource.

A lack of political capital explains Bill Clinton's failed attempt in 1993 to reform the US health and pensions system – a highly charged political act. It was years later that Barack Obama, having invested significant time and effort into ensuring he had the necessary support in place, successfully pushed through healthcare transformation.

Seasoned political leaders are good at nurturing and conserving their political capital; it's a skill that business leaders need to learn. You can consider these tips:

1. Pick your battles

The first question that a leader should ask is whether it is really necessary to engage, whether it's in response to calls for a quick comment or a push for action. In politics, thinking slow is often a better course of action than thinking fast. Always ask yourself if your political move today will increase or diminish your future strategic freedom.

As the distinguished French sociologist Raymond Aron said: "The art of politics consists of distinguishing vital interests from marginal interests and in not investing or risking major resources in defending a secondary position."

It could be argued that British Prime Minister Tony Blair's enthusiastic alliance with US President George W. Bush in the invasion of Iraq was one such unnecessary risk. His commitment to the conflict – one not shared by the majority of the UK public – ultimately obscured, if not erased, his legacy of modernising the Labour party and of social democracy.

2. Block out the noise

zAn important addition to the previous point is to not lose one's focus on what really matters. Leaders need to know when and how to tune out the pressure and distractions of their role. For example, Spanish prime minister Felipe González dedicated time to the art of bonsai – an exercise in delicacy, patience and attention to detail.

His successor, Mariano Rajoy, was known as an avid reader of sports news. But he told me that leaders should not read the political press as it has "too much babble". It's important to avoid getting overwhelmed by "white noise" while staying on top of the key developments. Keeping a clear view of the facts that really matter can make a big difference when it comes to making difficult decisions.

3. A soft approach

No one likes a tough leader (except in a crisis), so only brandish your political power as a last resort. Use negotiation, debate and charm to get people on your side; power is most effective when it is restrained and understated. Heed the advice of the late British leader Margaret Thatcher: If you have to say you are powerful, it's because you are not.

Learn a lesson from Spanish prime minister José María Aznar, who was photographed with his feet on a table and smoking a Cuban cigar at a critical meeting with President Bush to discuss the second Iraq war. In this unnecessary staged show of bravado, Aznar revealed his potential insecurities. In politics – and business – less is often more.

4. Discretion is key

Save your opponents from disgrace because you never know when you might need their support in the future. This is why politics is often played out backstage. "No one should see how budgets or sausages are made", German Chancellor Otto von Bismarck is purported to have said.

The power of discretion was evident during the Cuban Missile Crisis, when US Attorney-General Robert Kennedy conducted secret negotiations with the Soviet ambassador to secure the withdrawal of Russian missiles in Cuba in exchange for the removal of US missiles from Turkey. The official narrative credited the US blockade of Cuba for defusing the crisis, but the true story was the discreet diplomatic compromise. Interestingly, the Soviets went along with the official US story, to make President John F. Kennedy's position more palatable to US public opinion.

5. Seek out the right advisers

Being at the top of the hierarchy is a unique experience – one that is cognitively and emotionally demanding. Only those who have held similar positions can truly help you. Therefore, ensure you have access to wise predecessors.

For example, Gonzalez, the Spanish premier, enlisted the support and advice of fellow social democrats such as former German Chancellors Willy Brandt and Helmut Schmidt, and Jacques Delors, former President of the European Commission. He even became a good friend of conservative German leader Helmut Kohl as he sought to negotiate the unique challenges of running a country. As a CEO, don't be afraid to seek advice and guidance from your peers and predecessors, and even your apparent rivals.

While considering these points can make a big difference, they should not outweigh one central truth: Good leaders know what their values truly are. These values can help you decide what is truly vital, easing the often difficult relationship between ends and means.

To Survive Sustained Change, Start Rehearsing

In this Nano Tool for Leaders, business advisor Ram Charan teaches companies how to prepare for potential disruptions.

RAM CHARAN

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

To thrive in uncertain times, companies need to develop a culture of flexibility — and rehearse for potential disruptions.

Nano Tool

In the near future, significant and unpredictable external factors may combine to challenge the global business landscape in unprecedented ways. Responding effectively to those challenges will require adaptability, and while many leaders acknowledge its importance, even successful companies can suffer from inflexibility in budgeting, resource allocation, and organizational structure. However, with dedicated effort and consistent practice, businesses can overcome these rigidities, embedding operational flexibility into their culture and processes.

To begin, executives should pinpoint three to five key areas that could significantly impede the organization. These may include:

Reviews, budgets, and KPIs, because performance targets may become impossible to achieve if there are significant changes in the external environment; sticking to unrealistic targets can be demotivating or lead to cutting corners

Decision-making processes, another common culprit, which can cause the organization to slow to a crawl if too many layers are involved or accountability is unclear

A single individual in a critical role who is psychologically unable to grasp a new reality; this can have ripple effects across the organization, holding back on moving people, shifting resources, or changing pricing, any of which can mean missing the bend in the road

Action Steps

Cultivating flexibility with regular rehearsals ensures readiness to adjust your strategies when necessary. Key components of this rehearsal-focused method include:

1. Envision and prepare for the unexpected.

Socialize the concept of flexibility to deal with surprises. Establish a routine of envisioning various potential situations and strategizing and practicing responses, focusing on the necessary organizational adjustments. Consider what might need to be discarded or developed swiftly and the possible ripple effects, including talent requirements. Regularly repeating this drill in diverse contexts will sharpen the team's ability to recognize and adapt to change swiftly, enhancing overall readiness.

2. Build flexibility into budgeting.

Some budget items may need more frequent adjustments. Incorporating these adjustments into your rehearsals can pinpoint which areas might need swift changes. For instance, a drought in the Panama Canal would make cargo stuck for months, with no end in sight, creating negative effects for your logistics team and your customers. Questions to consider include which budget areas to modify; the timing of communication; and whether this necessitates a revised production budget, increased cash reserves for inventory, altered sales goals, margins, or additional customer discounts due to unmet obligations. Regular rehearsals enable teams to rapidly develop and internalize responses to such scenarios.

3. Create flexible performance assessments.

KPIs often lead to inflexibility within corporations. However, if these performance indicators are adaptable, they can foster a proactive and ownership-driven attitude among managers. This shift can result in a more agile organizational culture, encouraging ethical behavior and the embracing of opportunities.

4. Special challenges for B2Bs.

In B2B companies, budget and KPI inflexibilities are challenging due to long-term contracts. To introduce flexibility, contracts must include clauses that allow for automatic adjustments in response to fluctuations in currency or raw material costs. Without such measures, cash flow and profitability may suffer from unforeseen changes. Cost variations must be transferred throughout the supply chain to the consumer, as intermediaries cannot bear these changes without jeopardizing their operations and the value chain. Additionally, B2B firms must remain vigilant against emerging competitors, disruptive products, regulatory changes, or strategic moves by rivals that could alter their market standing.

5. Flexibility with human resources.

Be ready to quickly reassign people in response to unexpected changes. Proactive adjustments to the workforce are crucial, eliminating redundant roles, introducing necessary positions, or merging jobs to enhance agility. Quick adaptation may involve forming new teams on the fly and revising key performance indicators for all impacted employees.

How Leaders Use It

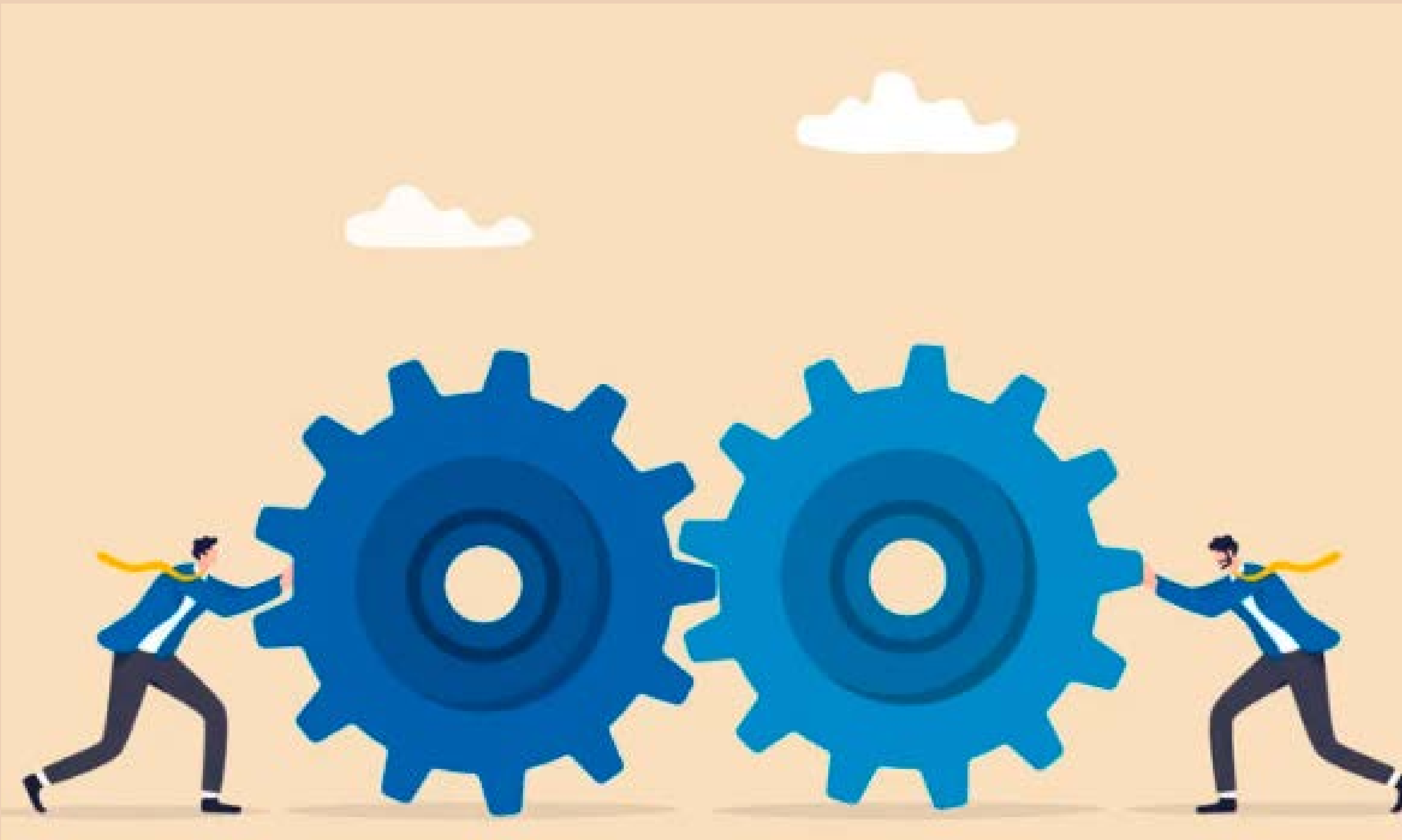
One large consumer-goods company builds flexibility into its budget by requiring all VPs to free up funds through cost savings in their business lines agreed upon at the start of the fiscal year. Those funds are held in reserve to respond to competitive drivers that might pop up throughout the year, whether it's for advertising, promotions, or pricing.

GE's former CEO Jack Welch once gave the highest bonus to a leader whose division fell short of targets, even as other GE divisions had exceeded theirs. Why? The division had outperformed its competition in the face of extremely tough external challenges. In your rehearsal scenarios, practice which KPIs need to swing and consider setting a range within which they can do so.

In February 2024, Eli Lilly was hit when the parent company of its major competitor, Novo Nordisk, announced the acquisition of Catalent, a contract manufacturer. Catalent works with many pharmaceutical companies to make and deliver their products, including Novo Nordisk's popular obesity and diabetes drugs Wegovy and Ozempic. Acquiring Catalent would expand capacity for Novo Nordisk and could give it a pricing advantage over Lilly's competing drugs. Did Lilly anticipate Novo Nordisk's move? Was it so focused on getting FDA approval for its obesity drug, Zepbound, that it never even considered where the competitor might be going? How well Lilly weathers this surprise will likely depend on how well it rehearsed.

Contributor to this Nano Tool

Ram Charan is an adviser to CEOs and boards of directors worldwide, a member of corporate boards in several countries, and author of 36 books. His latest book is The Leadership Pipeline: Developing Leaders in the Digital Age (Wiley, 2024). This Nano Tool is adapted from an article originally published in Fortune.



The Impact of Automation on Corporate Decision-making

Research co-authored by Wharton's Pinar Yildirim shows how automation is a strategic asset that can reshape the power dynamics within an organization.

PINAR YILDIRIM

Associate Professor of Marketing, Associate Professor of Economics

LAST YEAR, THE CORPORATE WORLD adopted a new term: the flattening. This phrase refers to how tech companies, which rapidly hired droves of middle managers during the pandemic boom, are now eliminating this layer through widespread job cuts.

Recent research by Mustafa Dogan, Alexandre Jacquillat, and Wharton's Pinar Yildirim, published in the Journal of Economics & Management Strategy, also touches on this recent phenomenon. Using theoretical modeling, the study explores how automation impacts the structure of decision-making within organizations, specifically examining the trade-offs between centralization and decentralization. It challenges the conventional wisdom that technology will democratize organizations and empower lower-level managers by decentralizing authority.

The research shows, firstly, that automation can change how decisions are made in companies. Centralized firms, typically characterized by top-down decision-making, are more likely to automate tasks within divisions that face uncertainty, such as new product development groups. Doing so reduces a top manager's reliance on the knowledge of mid-level managers in situations facing uncertainty, streamlines processes, and enhances top-level control. "Automating divisions that involve uncertainty can diminish the need for managers' localized expertise, empowering executives to break free from their dependencies," Yildirim explained.

In contrast, decentralized firms, where decision-making is more distributed across the managerial hierarchy, tend to allocate automation resources to more stable, business-as-usual tasks. For these firms, it is better to use automation to support stable, ongoing operations in existing product divisions. This helps to shield these operations from the negative effects of biased decision-making by mid-managers of other, uncertain divisions, helping to improve the overall financial performance of the firm.

Moreover, if companies can allocate more resources to automation, over time, they tend to centralize decision-making. Automation reduces the variability in operations, so lower-level managers don't need to make as many decisions. This shifts more control to top executives, making the firm's structure more centralized, regardless of their original setup. Yildirim noted: "This is reducing the strategic role of mid-level managers, who shift towards more operational tasks because lower-level ones are automated."

Impact on Innovation

A second finding from the paper suggests that, as automation resources become more available over time, the gap between the innovative potential of centralized and decentralized firms could widen. Centralized firms may become increasingly resistant to change, while decentralized firms may become more agile or better able to adapt to new market conditions. "For decentralized firms, automating routine tasks in stable divisions allows managers to focus on adapting to changes and innovating, enhancing the firm's agility and responsiveness," Yildirim added. This divergence could have significant implications for the competitive dynamics in various industries.

Thirdly, automation deployment, as it changes the role of mid-managers, will also change the communication and the degree of disagreements in firms. As more tasks are automated in divisions facing uncertainty, the quality of communication between executives and managers may deteriorate. This can lead to a less informed decision-making process, ironically undermining the very efficiency gains that automation is supposed to deliver. Yildirim noted: "Automation makes communication from managers to top executives less informative. This means managing people can become harder when using technology strategically."

Maintaining Alignment

The final insight from the study is that the strategic use of automation can also substitute for something else — traditional financial contracts used to manage conflicts within organizations. As automation reduces the need for managerial input, firms may find less need to align managers' incentives with those of the organization through financial means. Instead, automation can standardize processes and reduce opportunities for bias or misalignment. "It's a cost-effective way to maintain alignment and reduce internal conflicts," said Yildirim.

The implications of the findings from the study are profound. The authors suggest that, as firms find it easier to access automation resources, they should also anticipate changes to their managerial hierarchy: top-down decision-making becomes more pronounced. This shift can reduce the role of mid-level managers, relegating them to more operational tasks and diminishing their strategic influence in the organization. In essence, the authors propose that automation is not only a tool used for efficiency; it can also become a strategic asset that can reshape the power dynamics within an organization.

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

...INSURANCE ...PENSION ...BROKER ...RISK MGT ...SPECIALTY ...COMPANY ...PEOPLE ...REGULATION

Stories by Cynthia Ezekwe

Pension funds drive investment in Nigeria infrastructure through bond purchases

L-R: John Abah, principal, Ikota Secondary School; Joy Ashuike, scholarship officer, Bethesda Child Support Agency (Bethesda); Victor Willie, head, government and stakeholder relations, Access Holdings PLC; Lanre Abu, director of operations, Bethesda; Ogechi Ofurum, chief executive officer, Bethesda; and Kanyinsola Olajiga, team member, human resources, during the formal handover of two coaster buses procured by human resources and executive office of Access Holdings to Bethesda, at Access Towers in Victoria Island, Lagos... recently.

AS NIGERIA CONTENDS with a severe infrastructure deficit, pension fund administrators (PFAs) are seen to have stepped up their investment in corporate infrastructure bonds as a means of bridging the gap.

This strategic shift in investment portfolios, according to analysts, aims to provide the much-needed capital for large-scale infrastructure projects across the country, while also offering competitive returns for pension contributions.

In the first six months of 2023, Nigeria's pension fund administrators reportedly invested N91.12 billion in infrastructure bonds, according to data released by the National Pension Commission (PenCom).

In an encouraging development, PenCom reported that the PFAs raised their stake to N103.86 billion in the same period of 2024, marking a 14 percent increase from the previous year.

Emphasising the critical importance of investing in infrastructure for Nigeria's economic development, Oguche Agudah, chief executive officer of Pension Fund Operators Association of Nigeria (PenOp), highlighted that PFAs have identified the need to bridge the country's infrastructure gap and are proactively investing in corporate infrastructure bonds as a means to address the issue.

"This form of investment is not solely focused on generating returns; it is also aimed at enhancing the quality of life for both contributors and retirees. By channelling funds to infrastructure projects, pension funds play a vital role in fostering economic growth and development," Agudah said.

The PenOp chief highlighted the significant demand for corporate infrastructure bonds in the Nigerian market, with PFAs demonstrating a strong appetite for these instruments.

Agudah also underlined that pension fund managers have continually expressed their desire for more corporate infrastructure bonds to be issued in the market, suggesting a growing recognition among institutional investors of the need for increased investment in infrastructure projects to address Nigeria's infrastructure deficit.

While investments in corporate infrastructure bonds reached a peak of N26.72 billion in January 2024, according to Agudah, investments gradually tapered off in the subsequent months, reaching N15.86 billion in June.

Despite this decline, he explained that the ongoing investments in infrastructure bonds represent a strategic approach to achieving both financial returns and sustainable development for Nigeria. He noted that these investments are not only aimed at generating profitable returns for pension contributions but are also instrumental in contributing to the overall economic stability of the country by facilitating crucial infrastructure projects.

In a significant move to boost investment in infrastructure, PFAs have significantly increased their stake in infrastructure-related investments, including Sukuk bonds and the Nigeria Infrastructure Debt Fund (NIDF).

According to a breakdown of the investment, PFAs have allocated N127 billion to Sukuk bonds (Series I-IV) for federal road projects between 2017 and 2023, with an additional N103 billion invested in the Nigerian infrastructure debt fund within the same period.

The Kano-Maiduguri Expressway, Kaduna Eastern Bypass, Enugu-Port Harcourt Expressway, Ibadan Ilorin Expressway, Ahmadu Bello Way VI, and Loko – Oweto Bridge, are amongst the infrastructure projects which received funding from the N127 billion Sukuk bond investment.

In a statement underscoring the positive impact of the Contributory Pension Scheme (CPS), Joy Ojakovo, vice president of PenOp, commended the numerous benefits the scheme has brought to individuals and the nation as a whole.

Ojakovo, who is also an advocate for the continuous improvement of the CPS, urged stakeholders to work collaboratively in identifying opportunities for further enhancement of the scheme.

"Nigeria's pension industry has been the fulcrum for a lot of development that has happened in the country over the last 15 years. This fact is not lost on us as pension fund managers. We realise this and we take this responsibility very seriously," she stated.

Ojakovo further elaborated on the transformative impact of the CPS, noting that one of its most significant advantages has been the creation of long-term capital accumulation, which provides a valuable pool of resources for investment in various sectors of the Nigerian economy.

She also pointed out that pension funds have played a leading role in the development of the bond and equity markets, thus contributing to the expansion and deepening of these vital financial institutions.

RCT report flags risk service plans as insurance firms' make-or-break factor

A RECENT REPORT from Risk Control Technologies Inc. (RCT) a platform that provides loss control and safety software to the insurance industry, has alerted companies to the existential threat posed by the absence of risk service plans. RCT, known for its loss control and safety software, warns that insurance firms without risk service plans are gambling with their survival, especially at a time when the unpredictability of the world is a constant challenge for insurers.

According to the report titled, "The Role of Risk Service Plans in Insurance", service plans that focus on solving the human side of risk can deliver significant benefits to both companies and insurers. Such plans, it stated, creates a win-win situation, providing protection and benefits for both parties involved.

RCT emphasises that one of the key benefits of a comprehensive service plan is its ability to cultivate a culture of safety within insured organisations. It added that by adopting an all-encompassing risk management approach that incorporates regular training, ongoing risk assessments, and proactive recommendations, insurers can assist their clients in fostering a safety-oriented culture.

"This shift not only reduces the likelihood of incidents, but also empowers employees to take ownership of their roles in maintaining a safe work environment. As a result, the overall risk profile of the insured tends to improve, leading to fewer claims and potentially lower insurance premiums," the report noted.

According to the safety software provider, transparent and consistent communication is crucial for insurers when it comes to managing risk. Regular updates and insights about how risk is being handled, and how it impacts coverage and premiums, can help build trust between insurers and their clients. By providing this level of communication, insurers can foster a positive relationship with their clients, leading to greater trust and confidence in their risk management practices.

RCT underscores the value of building trust as an integral part of the insurance industry. It noted that in a sector where customer loyalty and perceptions of insurers can be lacking, an active engagement strategy, which incorporates risk management and forward-looking service plans, can signal a shift towards a more holistic, long-term relationship with clients. This approach is believed to promote a client-centric focus, where insurers prioritise the

well-being of their clients over immediate financial gains.

"Trust is the foundation of any strong relationship, and in the insurance industry, it can translate into higher customer retention rates and better overall client satisfaction. Loss Control teams offer insurers the ability to build this trust while a policyholder is in a more positive headspace than is to be expected while navigating a claim. In fact - one RCT customer found that with just a single loss control touchpoint, average insured retention grew by 10 percent, while three engagements led to a whopping 25 percent increase," RCT noted.

The report stresses that mutual service planning creates a symbiotic relationship between insurers and insured parties, fostering a partnership that transcends the conventional transactional nature of insurance. Through collaboration on identifying and mitigating risks, both parties gain a shared understanding and commitment to reducing exposure and improving safety.

RCT also pointed out that collaboration between insurers and insured parties leads to more effective decision-making, as both bring valuable insights and perspectives to the table. By working together, insurers can harness loss control activity data to offer more tailored advice and services, while the insured can provide real-time, on-the-ground insights that inform and refine risk management strategies.

Dwelling further on the benefits of risk service plans, RCT noted that these plans not only consider the human aspect of risk but also offer significant advantages to both insurers and their clients. These benefits, it highlighted, include an enhanced safety culture, increased trust between insurers and clients, increased retention rates, and greater collaboration, all of which contribute to a stronger relationship and long-term success for both parties.

VETIVA CAPITAL MANAGEMENT LIMITED

MARKET COMMENTARY FOR THE WEEK ENDED 6TH SEPTEMBER, 2024

Focus for the week: NIGERIA Q2'24 GROSS DOMESTIC PRODUCT (GDP) - Oil saves the day

IN Q2'24, THE NIGERIAN economy expanded by 3.19% y/y, 22bps larger than the prior quarter (Q1'23: 2.98% y/y) and 68bps larger than the corresponding quarter in the prior year (Q2'23: 2.51% y/y). Despite the solid outturn, the result was 142bps weaker than our in-house estimate due to unanticipated weaknesses in the services sector, particularly trade and transport. Notably, the oil sector sustained its recovery trajectory, supporting headline growth.

Agriculture: Livestock sector drags growth, crop sector slows

Growth in the agricultural sector remained positive, though slightly weaker, amid the withdrawal of quasi-fiscal intervention by the monetary authorities and the sustained relapse in the livestock subsector. The agricultural sector expanded by 1.41% y/y (Q2'23: 1.50% y/y), driven by the 1.65% y/y expansion in crop production (Q2'23: 1.82% y/y) and the milder contraction in the livestock subsector (Q2'24: -1.71% y/y, Q2'23: -2.30% y/y).

Industrials: Oil rebound sustains the positive trend

The industrial sector recorded a 3.53% y/y expansion in Q2'24 (Q2'23: -1.94% y/y), thanks to a 10.15% growth in the oil sector (Q2'23: -13.43% y/y). For context, oil production increased from 1.22 mb/d in Q2'23 to 1.41 mb/d in Q2'24. The manufacturing sector recorded its weakest Q2 growth in 4 years amid a weaker Naira and higher energy costs. Thus, growth in the sector slowed to 1.28% y/y in Q2'24 (Q2'23: 2.20% y/y). We observed broad-based weakness across various sub-sectors including the cement, food, textile, and motor assembly sub-sectors.

Services Sector: Energy and FX weaknesses stifle services growth

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,579.87	3,590.00	(0.28)	28.30
NGX All-Share Index	96,433.53	96,580.01	(0.15)	28.97
Market Cap (NGN bn)	54,550.90	54,633.45	(0.15)	33.31
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	18.79	19.38	(2.96)	11.88
182-Day T-Bill	18.78	24.10	(0.20)	17.96
364-Day T-Bill	21.26	23.26	(0.09)	11.01
2-Year FGN Bonds	19.07	19.35	(0.01)	6.82
3-Year FGN Bonds	19.31	19.41	(0.02)	6.96
5-Year FGN Bonds	19.37	19.38	0.00	6.27
7-Year FGN Bonds	18.01	18.00	0.00	4.21
10-Year FGN Bonds	18.77	18.76	0.00	4.28
20-Year FGN Bonds	17.49	17.49	0.00	3.29
INTERBANK MARKET RATES (%)				
NIBOR OPR	31.25	18.11	13.14	16.19
NGN EXCHANGE RATES (₦)				
USD/NGN	1593.32	1598.56	0.33	(82.69)
GBP/NGN	2055.38	2062.14	0.33	(79.92)
EUR/NGN	1736.72	1742.43	0.33	(75.20)
CNY/NGN	223.06	223.80	0.33	(76.11)
ZAR/NGN	87.63	87.92	0.33	(78.66)
USD/NGN FORWARDS				
1M	1660.59	1624.90	(2.20)	(76.26)
3M	1733.09	1670.42	(3.81)	(74.40)
6M	1843.22	1753.26	(5.31)	(80.29)
1Y	2074.04	1908.16	(8.62)	(90.79)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	856.20	-0.12%	-4.57%
CONSUMER GOODS	1,556.48	-1.17%	38.81%
INDUSTRIAL GOODS	3,940.02	-0.17%	41.67%
OIL & GAS	1,889.46	1.52%	81.15%
VETIVA 30 ETF	35.80	0.56%	32.59%
INSURANCE	405.29	-4.45%	26.00%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
[illegible]	35.00	32.58%
BERGER	18.75	31.13%
ETRANZACT	6.25	20.59%
UACN	25.50	19.77%
CILEASING	4.35	16.57%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
[illegible]	1.57	-17.63%
FTNCOCOA	1.51	-18.38%
[illegible]	0.72	-18.18%
TIP	1.81	-13.18%
CORNERST	2.36	-12.59%

Source: Vetiva Research

In Q2'24, the Services sector recorded its weakest post-COVID Q2 growth outturn. Services growth slowed to 3.79% y/y (Q2'23: 4.42% y/y). We attribute the relatively weak performance to weaker trade outturn and a contraction in the road transport sector. While the weak value of the Naira hampered trade, the high prices of energy products led to a contraction in road transport activities. For context, growth in the trade sector weakened from 2.41% y/y in Q2'23 to 0.70% y/y in Q2'24. The transport sector receded by 13.53% y/y, failing to rebound from the prior year's subsidy reform-induced contraction (Q2'23: -50.64% y/y), possibly due to fuel shortages and the high cost of refueling vehicles and trucks

Outlook: GDP likely grew by 2.87% in Q3

In Q3'24, we expect the Nigerian economy to expand by 2.87% y/y. We expect sustained outperformance from the oil sector and sustained slack in the non- oil sector. Overall, we now downgrade our FY'24 growth expectation to 2.99% y/y in 2024. We note, however, that the upscaling of refining activities represents an upside risk to this estimate.

What shaped the past week?

Equities: This week, the local market closed in the red, driven by broad-based losses across major indices. The ASI shed 15bps to close at 96,433.53 points, as weak investors' sentiments filtered into the new month. The Insurance sector (-4.45% w/w) led sectoral losers as profit-taking was seen on key names such as CORNERST (-12.59% w/w), AIICO (8.33% w/w), WAPIC (8.24% w/w), and CONHALL (6.90% w/w). This was followed by losses in the Consumer Goods (-1.17% w/w) space, as sell-offs in key names such as PZ (-9.52% w/w), CHAMPION (-9.20% w/w), DANGSUGAR (-5.54% w/w), MAYBAKER (-5.41% w/w), and NB (-4.59% w/w) dragged the sector lower. Also, the Industrial Goods index fell by 17bps, while the Banking sector shed 12bps despite gains in STANBIC (+2.64% w/w) and UBA (+2.40% w/w). Meanwhile, the Oil & gas sector (+1.52% w/w) was the only sector to finish in the green, as investors maintained interests in Oando (+5.85% w/w) which crossed the ₦1 trillion market cap mark, as well as in ETERNA (+8.74% w/w), and CONOIL (+6.94% w/w).

Fixed Income:

During the week, yields in the secondary market trended lower, despite tight system liquidity, signaling a new market direction. At the end of the week, yield movements were seen on the 91-Day bill (-296bps), 182-Day bill (-20bps), 364-Day bill (-9bps), 2-year note (-1bps), and 3-year note (-2bps). System liquidity opened on Monday at ₦579 billion positive but opened on Friday at ₦276 billion negative thus OPR jumped 13.14ppts to close the week at 31.25%. The drop in liquidity was caused by the NTB auction held on Wednesday. At the auction, the DMO offered ₦233 billion across maturities on the curve as against ₦410 billion offered in the previous auction. Despite the reduced offering, the auction saw an increase in subscription levels, rising to ₦1,129 billion from ₦1,027 billion in the previous auction. At the end of the auction, the DMO allotted the full ₦233 billion offered. Following this, stop rates contracted on the 364-day bills by 196bps to 18.94%, on the 182-day bill by 170bps to 17.50%, and on the 91-day bill by 120bps to close at 17.00%.

Currency: At the end of the week, the Naira appreciated by ₦5.24 w/w to close at ₦1,593.32 per dollar.

Domestic Economy: Following the disruptive impact of a non-cost-reflective price and accumulated debts on the availability of PMS products in Nigeria, we witnessed upward adjustments in the pump price of petrol towards the N897/litre handle. Comments from NNPC officials suggest that the price is yet to be cost-reflective. We note that full adjustments towards the cost-reflective price could disrupt the disinflation trajectory over the near term. In addition, the rollout of PMS products from the Dangote refinery could effectively raise the contribution of oil refining to GDP, trim imports, and boost exports over the near term.

Global: September has been historically weak for U.S. equities, with the S&P 500 down about 1.2% for the month on average since 1928. In addition to this, a Labor Department report showed U.S. employment increased less than expected in August, but unemployment came in lower at 4.2%. As a result, Wall Street's main indices fell on Friday, as the report did little to clear the uncertainty around the magnitude of the Federal Reserve's interest rate cut that is expected at the central bank's meeting later this month. At market open on Friday, the Dow Jones Industrial Average fell 0.07% to 40,728.60, the S&P 500 lost 0.54% to 5,473.70 and the Nasdaq Composite lost 0.99% to 16,956.20. In European markets, caution prevailed still on the back of US jobs data. The pan-European STOXX 600 index fell 0.6% to 508.97 points, while The FTSE 100 slid 0.5% to 8200.50 points. Losses were also seen in Asian markets on Friday. The Shanghai Composite index closed down 0.81% at 2,765.81 points, while the blue-chip CSI300 index ended 0.81% lower at 3,231.35 points. The Hong Kong stock markets were shut ahead of Super Typhoon Yagi's expected landfall along the coast of Hainan province. The Nikkei closed 0.72% lower at 36,391.47 points.

What will shape markets in the coming week?

Equity market: Overall, we expect investors to brace for potential volatility on Monday, as mixed signals across sectors and a red start to September could keep the broader market under pressures next week.

Fixed Income: In next week's trading week, we expect that the scheduled NTB auction will significantly influence trading activities in the secondary market. Additionally, the level of system liquidity is expected to play a key role in determining the direction of the auction. Overall, we anticipate that market players will continue to adopt a cautious trading approach in the market, given the uncertainty surrounding the direction of the upcoming MPC meeting scheduled to be held on September 23rd- 24th, 2024.

MONEY Nuggets

TUNDE OYEDOYIN

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How can the ordinary woman make it on the stock exchange?

AS A SEQUEL TO LAST week's piece, this edition of the column is to illustrate how the ordinary woman or average guy can make it on the stock exchange. Without being a mega investor and coupled with the four points listed last week, it's possible to hit a home run even after a strikeout.

In order words, both possibilities are always there in the markets. But what we all want is a home run. At the barest minimum, you wouldn't want to lose your investment even if a home run is out of your reach. This is the how of it.

Hopefully, this can be useful for anyone who fancies investing on the Nigerian Exchange, NGX or elsewhere. If you've previously taken a hit, you'll probably have some takeaways which you can sooner or later put to practice.

As an aside, after reading last week's column, a retired banker reader asked how long should Pastor Mathew Ashimolowo have waited for? Among others, yours truly said that was a matter for him. Moreover, he should have been watchful. Anyone who has put millions on the table on a market that is cyclical in nature should have been monitoring their investments closely or paid people to do that. Reason being that the market doesn't nosedive overnight.

Even if that happens, it's important to remember the market is like the spokes of a bicycle wheel or those of the London Eye. There's bound to be movement. Here's the thing, you have to wait for the cycle to turn in your favour.

Back to the ordinary woman or average guy who's a reader of this column and has, as part of his financial goals for this year, been saving a modest twenty thousand naira per month from January. Let's say he puts what he's been reading to practice and withdrew a hundred thousand naira in early July, to have a slice of Fidelity Bank and AccessCorps before the offers closed last month.

Assuming that the little guy has decided to be in the market for the long term and secondly, let's also assume he didn't borrow from a micro finance company or any other bank to fund his investment.

Because it's his own money, he's not under pressure to pay anyone back. Furthermore, as both banks' fundamentals are rock solid, this average investor knows he's not going to be worried for whatever reason if their share prices go South. Even if for the sake of this illustration, the share price went down to let's say three naira and twenty naira from the offer price of over seven and thirty naira respectively.

Operating from the knowledge base of the four guiding principles, he stays in the game, knowing that like the wheel of the bicycle and that of the London Eye, there'll be movement in the direction that'll favour you.

More importantly, this average guy or ordinary woman needs to instruct their stockbroker that if the price of any of these two shares appreciates by perhaps at least ten percent, they should sell half their stock. With that instruction, the little guy can gradually take out their seed capital and still have half of shares to keep. If the share prices don't appreciate as much or if they stay at that point for the next two years, the ordinary woman can still look forward to dividend payment when those banks declare their results next year.

If no dividends are declared, the little guy still won't need to worry because he used part of his savings. Here's the thing, if the results are good, there may be a demand for the shares and that could be a time for this ordinary woman to cash in a bit and still remain in business.

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Share Price List as @ Friday 6 September, 2024: The Nigerian Stock Exchange

Company	Previous	Opening Price	High	Low	Close	Change	Trades	Volume	Value
ABBEYBDS	2.53	2.53			2.53			60176	149562.79
ABCTRANS	0.78	0.78			0.78			127262	106863.56
ACADEMY	2.92	2.92			2.92			17926	49848.89
ACCESSCORP	18.95	18.95	19	18.8	18.8	-0.15	357364	14918205	281964869.8
AFRINSURE	0.2	0.2			0.2				
AFRIPRUD	9.05	9.05			9.05			739464	6945895.65
AFROMEDIA	0.24	0.24			0.24				
AIICO	1.15	1.15	1.16	1.1	1.1	-0.05	600326	11701178	13238671.67
AIRTELAFRI	2200	2200			2200			612	1298356
ALEX	7.15	7.15			7.15				
ASOSAVINGS	0.5	0.5			0.5				
AUSTINLAZ	2	2			2			1090	2158.2
AVAIF	1000000	1000000			1000000				
BAPLC	6.25	6.25			6.25				
BERGER	17.05	17.05	18.75	18.75	18.75	1.70		501724	9367861.25
BETAGLAS	48	48			48			13346	602424
BUACEMENT	113.9	113.9			113.9		87000	428311	45941115.5
BUAFOODS	394.9	394.9			394.9		4	11528	4351110.1
CADBURY	19.7	19.7			19.7			53090	954904.05
CAP	35	35			35			452102	15366614.3
CAPOIL	0.2	0.2			0.2				
CAVERTON	1.45	1.45	1.59	1.5	1.59	0.14		4467185	6955061.11
CHAMPION	2.96	2.96			2.96			216090	643281.3
CHAMS	2.05	2.05	2.09	2.02	2.09	0.04	10000	4017454	8341809.6
CHELLARAM	3.7	3.7			3.7			35	139.65
CILEASING	4.11	4.11	4.2	3.71	4.15	0.04		2267871	9294115.99
CONHALLPLC	1.43	1.43	1.36	1.35	1.35	-0.08		618624	841121.16
CONOIL	154	154			154		600	21434	3061731.6
CORNERST	2.4	2.4	2.4	2.36	2.36	-0.04		2686428	6403872.4
CUSTODIAN	11.25	11.25	11.3	11.3	11.3	0.05		879174	9907175.75
CUTIX	3	3	3	2.84	3	0.00	10000	2047061	6062468.43
CWG	5.3	5.3	5.4	5.35	5.4	0.10		1593825	8546358.05
DAARCOMM	0.71	0.71	0.74	0.64	0.74	0.03	389339	3480421	2340911.44
DANGCEM	532	532			532		485	23932	11458849.6
DANGSUGAR	36	36	37.9	35.8	35.8	-0.20		1944272	70332401.4
DEAPCAP	1.04	1.04	0.95	0.94	0.94	-0.10	16000	3042835	2863196.4
DUNLOP	0.2	0.2			0.2				
EKOCORP	5.8	5.8			5.8				
ELLAHLAKES	3.03	3.03	3.01	3	3	-0.03		2790171	8394438.61
ENAMELWA	19.3	19.3			19.3				
ETERNA	32	32	31.95	30	30	-2.00	32	3119201	96431549.4
ETI	20.9	20.9	21.9	21.9	21.9	1.00		422465	9159465.8
ETRANZACT	6.15	6.15			6.15			165550	1117462.5
EUNISELL	2.89	2.89			2.89			10900	31193
FBNH	22	22	22.05	22	22.05	0.05	594000	3556182	78297224.9

Nigerians await latest attempt at textile industry revamp amidst FG's $3.5bn intervention pledge

Stories by Onome Amuge

THE NIGERIAN TEXTILE industry, once a cornerstone of the country's economic strength, has suffered a steady decline over the years, leading to an undeniable contraction in its contribution to the country's GDP. This implosion has seen the industry shrink from its position as a major wealth creator in the 1980s to a shadow of its former self, struggling to compete in a changing market and crying out for intervention and support.

Meanwhile, in a promise that is familiar to many Nigerians, the President Bola Tinubu administration has pledged to revitalise the country's struggling textile industry, buoyed with a $3.5 billion injection of funds.

While this commitment may sound encouraging, analysts opine that the ambitious promise, while stirring optimism among many, bears a striking resemblance to pledges made by past governments, whose bold words failed to yield real change.

Doris Uzoka-Anite, the minister of industry, trade, and investment, in her sectoral report on President Bola Tinubu's first year in office,announced that the government has secured $3.5 billion to resuscicate the country's cotton, textile and apparel industry.

According to the Minister, the government has been working hand-in-hand with various development partners and private sector players to ensure the optimal performance of the Nigerian cotton, textile, and apparel industry, which has faced significant challenges in recent years.

"So far, we have attracted $3.5 billion to unlock the textile quality apparel industry. As you know, Nigeria's textile and apparel industry covers the entire clothing value chain and has a strong potential for growth, availability of cotton and the country's largest market size," Uzoka-Anite said.

Speaking on the potential of the textile and apparel industry, Minister Uzoka-Anite stated that this sector holds a vital position in the manufacturing sector and has the capacity to generate a significant number of jobs for both skilled and unskilled labor. In addition to employment opportunities, the minister highlighted that the industry can generate export earnings and attract foreign direct investment, which can help reduce poverty in the country.

Vice President Kashim Shettima's recent engagement with the International Cotton Advisory Committee (ICAC) delegation saw him voicing support for the revival of Nigeria's cotton and textile industry, which he believes has the potential to create 1.4 million jobs annually by leveraging the full potential of the cotton value chain.

Therefore, Shettima urged stakeholders to develop a concrete roadmap for the revitalisation of the cotton and textile sector in Nigeria.

The vice president further assured the delegation that the government would make deliberate efforts to leverage the country's cotton value chain opportunities to boost the sector's growth and development.

According to Shettima, these efforts will pave the way for Nigeria to regain its membership in the ICAC, providing the country with access to valuable technical support and resources to support the industry's revitalisation.

With the Nigerian textile industry in a prolonged decline, the government's most recent pledge to revive the sector has elicited a response that is a delicate balance of cautious optimism and doubt among the country's populace.

According to reports, the attempts to revive the Nigerian textile industry over the past two decades have been fraught with empty promises and unfulfilled plans, leaving many to wonder where billions of naira in funding has disappeared.

Reports have also highlighted how previous administrations under Presidents Goodluck Jonathan and Muhammadu Buhari announced plans to revitalise the sector, with billions of naira allocated for this purpose.

In 2020, during the Muhammadu Buhari administration, the CBN announced a N50 billion special mechanism fund to revive the struggling textile industry. Administered by the Bank of Industry (BOI) at a 4.5 percent interest rate, the fund aimed to provide support for various initiatives within the sector through CBN-approved non-interest instruments. The guidelines for the intervention were issued in a statement signed by Kelvin Amugo, the then CBN director of the financial policy and regulation department.

Despite multiple attempts by the Nigerian government to resuscitate the local textile industry through the injection of over N500 billion ($1.18 billion) in public funds over the past 30 years, approximately 120 textile companies have closed their doors.

According to publicly available information from government institutions such as the CBN, the government has floated a series of funding schemes with the aim of saving the domestic textile sector. However, it appears that these initiatives have not been successful, as evidenced by the high number of textile companies that have ceased operations.

Thus, the Nigerian textile industry has remained on life support, leading many to question whether the current government will be able to succeed where its predecessors have failed.

The importation of textiles has seen a steady rise in value in recent years, undermining the local textile industry's efforts to regain its foothold. While textile imports stood at N182.5 billion in 2020, the figures rose to N278.8 billion in 2021 and then jumped to N365.5 billion in 2022, reaching N377.1 billion in 2023.

Consequently, the textile industry's contribution to Nigeria's gross domestic product (GDP) has been on a decline over the past few years, reflecting the sector's struggle to regain its footing.

As reported by the NBS, the sector's contribution to real GDP in 2020 was 1.9 percent at N1.332 trillion, dropping to 1.82 percent in 2021 at N1.315 trillion, 1.72 percent in 2022 at N1.286 trillion, and further to 1.63 percent in 2023 at N1.247 trillion.

The textile sector also registered a negative contribution to the country's GDP over the past two quarters. According to the NBS, the sector's contribution to the GDP stood at -1.75 percent in Q1'24 with an economic value of N324,094.03 billion, and declined further to -1.96 percent with a value of N265,624.81 billion in Q2'24.

Faced with the declining state of the textile industry, the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN) made an appeal to President Tinubu. The union requested the president to create an enabling environment that encourages business growth, as well as implement macroeconomic policies and industrial strategies that promote manufacturing, value addition, and job creation.

John Adaji, the union's president, addressed the crucial role of the textile industry in Nigeria's economic development during the 13th Quadrennial National Delegates Conference in Abuja. In his speech, Adaji emphasised the potential of the manufacturing sector in shaping the country's future and the continent's as a whole.

He highlighted that reviving the textile industry will position Nigeria to capitalise on trade agreements like the Africa Continental Free Trade Area (AfCFTA) worth an estimated $3 trillion and the United States' Africa Growth and Opportunity Act (AGOA), which could generate trillions of dollars in revenue.

"We commend the determination of Nigeria's President Bola Ahmed Tinubu to change the narrative of the nation's manufacturing sector and create mass decent jobs through sustainable industrialization. This requires committed action on the part of government, employers and workers.

"Our hope is that President Tinubu will take all necessary measures to ensure friendly business environment, stable macroeconomic policy, consistent, clear and focused industrial strategy that will provide support and incentives for manufacturing activities, ensure value addition and decent job creation in the country," he stated.

Adaji, in his assessment of the industry, noted that despite the union's consistent efforts to advocate for the revival of the cotton, textile, and garment industry, the Nigerian government's interest in supporting the sector has not translated into effective policy implementation.

The NUTGTWN president stressed that there is a significant gap between policy pronouncements and the actual implementation of these policies, which has hindered the industry's growth and development.

Adaji expressed concern over the diminishing capacity of Nigeria's textile industry, which he attributed to the large-scale job losses caused by the industry's decline.

According to him, this has led to a significant increase in the pool of unemployed Nigerians and subsequently, high poverty levels and increased crime rates.

He also pointed out that the textile industry's decline has not only affected the people directly involved in the sector but has also had a negative impact on the country's economic and social well-being, as a whole.

"Today, the cotton, textile and garment sub-sector of the economy which used to be the second largest employer of labour after the public sector is on steady decline due to company closures and massive loss of jobs. Unrestrained smuggling and importation of textile products have become the order of the day," he stated.

Adaji underscored that if the cotton, textile, and garment industry were to be revived, it could serve as a powerful engine for Nigeria's economic transformation. He posited that the sector could create over two million jobs, increase the country's internally generated revenue, reduce the $4 billion annual textile and apparel import bill, and earn significant foreign exchange for Nigeria.

Stories by Onome Amuge

World food prices fall in August on dropping sugar, meat, and cereal prices

THE FAO FOOD PRICE Index, a key indicator of global food market trends, indicated a decrease in global food prices in August 2024, as the overall value of the index declined to 120.7 points, lower than its revised figure for July 2024.

The downward trend in global food prices was primarily driven by a fall in the prices of sugar, meat, and cereals, while increases in the prices of vegetable oils and dairy products failed to offset these decreases, resulting in an overall decline in the index value for August, according to the Food and Agriculture Organisation of the United Nations.

The latest decline in global food prices, as indicated by the FAO Food Price Index (FFPI), continues a trend of declining prices that began in March 2022, when the index reached its all-time high of 160.3 points.

Compared to historical levels, the FFPI in August 2024 averaged 1.1 percent lower than its value from the same period one year ago. Moreover, when compared to its peak in March 2022, the FFPI in August was 24.7 percent lower, indicating a significant drop in global food prices over the past 18 months.

The FAO Cereal Price Index, which measures the monthly change in international prices of cereals, registered a slight decline in August 2024 compared to the previous month, as global wheat export prices fell due to a combination of factors.

According to the FAO report, the Cereal Price Index averaged 110.1 points in August, a 0.5 percent decrease from its July value of 110.7 points. Compared to its value from the same period a year earlier, the index dropped by 11.9 percent.

L-R: Ben Okoye, managing director, Brass Fertilizer and Petrochemical Company Limited (BFPCL); Ekperikpe Ekpo, minister of state petroleum resources (gas); Zhao Lianzhi, global vice president, China Road and Bridge Corporation (CRBC); and Zhou Hao, managing director, CRBC Nigeria, during the signing of project agreements for the construction of the industrial park/gas gathering pipelines and associated facilities for the Brass Methanol Project in Brass, Bayelsa State at the Global headquarters of CRBC in Beijing, China recently

Global wheat prices softened in August 2024, attributed to a rise in production estimates in Argentina and the United States, leading to an oversupply and reduced international demand. However, the decline in wheat prices was countered by an increase in maize prices, caused by concerns over potential heat wave damage to crops in the European Union and some areas in the U.S, as well as a downward revision to Ukraine's production forecast, which tightened domestic supplies.

According to the report, the FAO All Rice Price Index was higher in August 2024, with non-Indica rice prices increasing modestly. The index, which measures changes in the average price of rice worldwide, reported a 0.6 percent increase from its July value.

The upward trend was primarily driven by non-Indica rice prices, which were impacted by seasonal scarcity and currency appreciations of some rice-exporting countries against the U.S dollar.

The FAO Vegetable Oil Price Index, which tracks changes in the average price of four key vegetable oils—palm oil, soy oil, sunflower oil, and rapeseed oil—on the global market, registered a 0.8 percent increase in August 2024 compared to the previous month, reaching its highest level since January 2023. The marginal increase in the index was largely driven by a rise in global palm oil prices, which offset a drop in soy, sunflower, and rapeseed oil prices.

In August 2024, the FAO Dairy Price Index recorded a 2.2 percent increase from its July value, reaching 130.6 points—the highest level since March 2023. Compared to its August 2023 value, the index rose by 14.2 percent.

The report showed that international prices for all dairy products increased, driven primarily by a surge in demand for whole milk powder and tight supplies in major producing regions.

On the other hand, the FAO Meat Price Index registered a decrease of 0.7 percent from its July value, settling at 119.5 points. Despite the decline, the index remained 3.7 percent higher than its August 2023 value.

International prices for poultry meat decreased in August, mainly due to the lingering effects of the Newcastle disease-related voluntary export suspension imposed by the Brazilian government.

The international market for pork products (pig meat) saw a decline in prices for the second consecutive month in August 2024, as lackluster import demand and ample export supplies from major producing regions led to a decrease in prices.

International sheep meat prices also decreased in August, after three months of steep increases. This drop was attributed to a slowdown in import purchases, with China being a notable example.

In contrast, international beef prices saw a slight increase in August, driven by seasonally falling supplies of animals for slaughter in Oceania, which pushed up prices.

In another food commodity market, the FAO Sugar Price Index registered a sharp decline of 4.7 percent from its July value, settling at 113.9 points. The decrease represents a 23.2 percent drop from the index's value in August 2023, marking the lowest level since October 2022.

The FAO attributed the decline in international sugar prices to a positive outlook for the 2024/25 season in Thailand and India, where favourable rainfall improved the quality and yield of sugarcane crops. In addition, lower international crude oil prices exerted further downward pressure on sugar prices.

However, concerns over the impact of fires on sugarcane fields in key growing areas of Brazil, as well as reports of lower-than-expected sugar production in the first half of August, led to sharp increases in global sugar prices towards the end of the month.

Gold retreats from near record highs as mixed US jobs data clouds Fed rate cut prospects

GOLD PRICES EXPERIENCED a dramatic reversal of fortunes and plunged below the psychologically significant level of $2,500 per ounce, after briefly flirting with a near-record high of $2,531 per ounce.

COMEX gold price closed at $2,526, just a hair above the crucial mark, while spot gold price wrapped up the week at $2,497 per ounce, signaling a notable downturn for the precious metal.

The sharp sell-off of gold prices comes after a sustained period of robust performance, as investors sought refuge in the safe-haven asset amid economic instability and growing recession fears.

Commodity market analysts have attributed the significant pullback in gold prices to the mixed signals emanating from the US job data, which has created uncertainty about the Federal Reserve's (Fed) future policy decisions. They believe that the Fed's inclination towards a rate cut could be derailed if the job market remains balanced, dampening the appeal of gold as a safe-haven asset.

While some experts have urged Fed Chairman Jerome Powell to maintain the rate cut trajectory, others believe that a cautious approach is necessary to avoid prematurely cooling the labor market.

Recent data highlighting a deceleration in the pace of hiring in the US has had a dampening effect on gold prices, which had previously been flirting with record highs in the global market. The highly-anticipated non-farm payrolls report revealed an increase of only 142,000 jobs in August, falling short of the projected figure of 160,000.

Beyond the lackluster August job growth figure, the latest U.S. employment report also included downward revisions to July's job numbers, further solidifying the narrative of a cooling labor market. While the average hourly earnings saw a modest uptick, climbing 0.4% month-over-month, the decline in the unemployment rate to 4.2% from 4.3% in the preceding month failed to offset the overall impression of a decelerating jobs market. The paradoxical nature of the latest US jobs report, showcasing both positive and negative aspects of labour market health, served to temper expectations of a steep 50 basis point rate cut by the Federal Reserve.

The dollar firmed in response, providing a headwind to gold prices which tend to move inversely to the strength of the greenback. The possibility of a more moderate Fed policy path weighed on gold's safe-haven appeal, contributing to its retreat from its previous near-record heights.

According to analysts, the recent declines in gold prices, even as US Treasury yields fell, indicate a fragile relationship between the precious metal and the bond market. Despite the persistent attraction of gold as a safe-haven asset, its inverse correlation with the US dollar has proven strong, as evidenced by the recovery of the greenback after a short-lived dip below the 101.00 mark.

According to the World Gold Council, gold maintained its impressive performance in August, posting a 3.6% gain to close at $2,513 per ounce. The precious metal reached an all-time high on August 20th, before experiencing a modest decline in the last few days of the month.

Global steel prices to decline amidst clouded outlook for China demand recovery- Report

A RECENT REPORT BY BMI, a subsidiary of Fitch Solutions, suggested that the global steel price is projected to decline as a result of a significant drop in China's domestic demand, primarily due to the deteriorating property sector.

The report noted that China's sluggish property market will likely result in a weakened demand for steel, which will have a knock-on effect on the global market. This is expected to weigh on steel prices worldwide as China is a major consumer and producer of the metal.

In response to the expected weakening of global steel demand and supply constraints, the research firm adjusted its 2024 average price forecast downward to $660 per tonne from the previous $700 per tonne.

Even as a pessimistic view of the global economy and industrial sector is forecasted to hinder steel supply growth, global steel demand is also expected to take a hit due to the decelerating global manufacturing sector, impeding growth in major steel markets.

Despite these headwinds, BMI still predicts a moderate 1.2 percent growth in steel production and anticipates that the robust demand from India will act as a significant driver of steel consumption in the year 2024.

The past week has been particularly brutal for China's iron ore futures, with prices dropping at their fastest rate in nearly two years. This extreme decline has been largely attributed to a multitude of indicators that suggest the world's second-largest economy is still floundering and struggling to gain traction.

The US manufacturing sector, too, has been experiencing a marked contraction over the past month, with the Institute for Supply Management (ISM) survey shedding light on further decreases in new orders and a troubling rise in inventory that may continue to impede factory activity in the short term.

The study laid bare the early stages of a revolutionary shift in the steel industry, heralding the advent of a paradigm shift from traditionally produced steel to electric arc-furnace green steel.

Dangote Industries leads the pack as Nigeria's most valuable brand in 2024

Business a.m.

DANGOTE INDUSTRIES LIMITED, one of Nigeria's largest conglomerates, has been recognised as the country's most valuable brand in 2024, according to the findings of the Brand Strength Measurement (BSM) index conducted by Top 50 Brands Nigeria. With an aggregate score of 89.6 percent, Dangote's brand strength was ranked the highest among all competing brands.

According to Top 50 Brands Nigeria, the result was a comprehensive brand perception assessment that evaluated the top brands in Nigeria. The organisers noted that Dangote Industries Limited has once again secured its place as Nigeria's Most Valuable Brand, marking an impressive seven consecutive years of holding this esteemed title.

Dangote Industries' dominance at the top was followed by MTN Nigeria, which not only earned the runner-up spot overall but was also named the Most Popular Brand in the country, according to Top 50 Brands Nigeria's Top-of-Mind (TOM) survey. The survey results demonstrated MTN's strong consumer connection and widespread recognition, highlighting the telecom giant's far-reaching influence on its sector and beyond.

L-R: Adewale Smatt-Oyerinde, director general, Nigeria Employers' Consultative Association (NECA); Richard Ayibiowu, treasurer, NECA; Ifeanyi Okoye, president, NECA; and Oyeyimika Adeboye, first vice president, NECA, during the quarterly governing council meeting held at NECA House in Lagos, recently.

Globacom Nigeria rounded out the top three in the 2024 ranking, demonstrating its continued position as a leading Nigerian telecommunications company known for its commitment to innovation and progress. The company's consistent high ranking in the Top 50 Brands Nigeria also reflected its significant contributions to the country's digital and technological advancement.

In the ranking, Airtel Nigeria, another key player in the Nigerian telecommunications industry, secured the fourth position. Access Bank followed closely in fifth, but still held the top spot among Banking & Financial Services companies.

In addition to the top five, Zenith Bank Plc, Coca-Cola Nigeria, First Bank of Nigeria, BUA Group, and GTCO Plc also made their mark in the Top 10, securing the sixth through tenth positions respectively.

The Banking & Financial Services sector proved its mettle by securing four spots in the top 10 rankings. Access Bank, Zenith Bank, First Bank, and GTCO all cemented their positions among the most valuable brands in Nigeria, demonstrating the sector's overall strength and influence.

The Telecoms sector also asserted its dominance, with MTN, Airtel, and Globacom all ranking within the top 10. Notably, seven of the top 10 brands were of Nigerian origin, highlighting the strength and global competitiveness of local brands.

This year's BSM index revealed that Nigerian brands were well-represented, securing 24 spots on the list. Meanwhile, international brands occupied 26 spots, totaling 52 percent of the top brands.

The 2024 list saw the emergence of two new brands, Opay Nigeria and Flutterwave, which made their debut in the annual Top 50 assessment, reflecting the rising significance of fintech and digital payment platforms in the shaping of Nigeria's economic future.

Speaking at the public presentation, Taiwo Oluboyede, CEO, TOP 50 Brands Nigeria, commended the brands for their resilience, particularly in the face of the current economic challenges.

"As a formidable force driving growth and transformation across Africa, it continues to set the pace, demonstrating the strength and potential of Nigerian home-grown brands on the global stage," Oluboyede stated.

Emphasising the importance of recognising and celebrating the strength and resilience of Nigeria's top brands, Oluboyede stated that the organisers were delighted to present the 2024 edition of the Top 50 Brands rankings. This annual celebration, he added, honoured the most prominent and valuable brands in the country.

Oluboyede further noted that this year's Top 50 Brands ranking serves as a testament to the resilience, innovation, and enduring relevance of the brands that continue to shape Nigeria's economy, especially during trying times.

Odu'a Investment Company scores 'A+' rating from Agusto & Co.

Business a.m.

AGUSTO & CO., A PROMINENT CREDIT rating agency, has upgraded the rating assigned to Odu'a Investment Company Limited (OICL) from "A" to "A+".

The upgraded rating, based on Agusto & Co.'s assessment of OICL's financial condition as a standalone entity, highlights the company's strong financial performance and resilience.

According to the rating report, OICL's strong operating cash flow, diversified revenue sources, and funding structure, including primarily internal and joint venture partnerships, contributed to its upgraded rating.

Adding to its financial reputation, the company has established a presence across numerous sectors of the Nigerian economy, with potential for further earnings growth through its ongoing portfolio rebalancing efforts and strategic growth initiatives.

Bimbo Ashiru, group chairman of OICL, expressed his delight at the Rating upgrade, stating, "OICL will not rest on its oars but continue to walk the talk to be a world class conglomerate for the benefits of the owner States and other stakeholders. We are committed to improving the productivity of the businesses we operate while delivering significant social economic impact and sustainable return"

Abdulrahman Yinusa, the group managing director, commended the contributions of the board, management, and staff in driving continuous growth and development towards OICL's aspirations of becoming a world-class conglomerate.

Yinusa remarked that the upgraded Rating not only reaffirms OICL's financial strength and operational excellence, but also serves as a new performance benchmark for the industry

The group managing director also noted that the upgraded rating reflects the company's continuous efforts in corporate governance as Odu'a Investment has implemented various reforms to strengthen oversight and accountability within its operations. These reforms, he explained, have been pivotal in improving transparency, enhancing decision- making processes, and aligning the company's objectives with best practices.

Yinusa added, "OICL has witnessed remarkable improvement across financial metrics, corporate governance, risks management, talent attraction and asset optimization across the Real Estate, Hospitality, Financial Services, Agriculture and Energy sectors."

SeamlessHR unveils payroll financing tool to strengthen business stability

Business a.m.

SEAMLESSHR, A LEADING AFRICAN HR and payroll technology company, has unveiled its new payroll financing and employee benefits solutions for businesses.

The recently introduced offerings are designed to provide both employers and employees with vital financial tools to spur their growth, enabling businesses to attract and retain top talent while providing employees with access to flexible financing options and valuable benefits.

Speaking at the launch event, Emmanuel Okeleji, CEO of SeamlessHR, noted that the company's payroll financing solution serves as a catalyst for operational stability and employee retention.

According to Okeleji, by addressing the financial challenges faced by businesses and employees alike, SeamlessHR is unlocking the true potential of Africa's workforce, driving sustainable growth and economic prosperity.

The SeamlessHR further emphasised that the solution was designed to empower businesses to thrive and employees to excel, enabling both to reach their full potential.

Okeleji also stated that the payroll financing solution is designed to provide businesses with the necessary liquidity to meet payroll obligations without disrupting daily operations. He explained further that with flexible loan terms, easy application processes, and seamless integration with existing payroll systems, the solution ensures employees receive their salaries on time, maintaining the operational momentum for businesses.

To complement the payroll financing solution, SeamlessHR also introduced an employee benefits package, which includes Earned Wage Access (EWA) and an employee loans solution. Developed in partnership with the Bill & Melinda Gates Foundation in 2023, the EWA and employee loans solution provides employees with the flexibility to access earned wages before payday and secure soft loans to cover unforeseen expenses.

Okeleji explained that the product is designed to provide employees with access to their hard-earned wages and financial support when needed.

SeamlessHR, recently recognised by the Financial Times as one of Africa's fastest growing companies, continues to assert its position as a leading HR tech giant. With its HR solution currently being used by five of the 10 companies named as the best workplaces in Nigeria by Great Place to Work – Sterling Bank, Wema Bank, Credit Direct, Providus Bank, and FBN Quest, SeamlessHR is considered a game-changer in the HR tech industry.

Oke Egbi, director of embedded finance at SeamlessHR, stressed the company's dedication to being not just an HR technology provider but also a strategic partner.

According to Egbi, the payroll financing and employee benefits solutions are designed to be effortlessly integrated into any existing HR ecosystem.

Egbi further highlighted that SeamlessHR's goal is to empower businesses with innovative HR solutions that drive growth, productivity, and employee satisfaction, while simplifying their HR processes.

CBN reports positive signs for Nigerian economy as business activity index recovers from 13-Month losing streak

Business a.m.

THE CENTRAL BANK OF NIGERIA'S (CBN) latest Purchasing Managers' Index (PMI) report has revealed a significant turning point in the country's economy. After 13 consecutive months of contraction, August 2024 marked a positive shift in economic activity, with businesses registering an expansion in their economic activities.

The PMI data for August 2024 indicated an upturn in the country's economic situation, with the composite index reaching 50.2 points—the first time since the beginning of the contraction that economic activities expanded.

Among the 36 sub-sectors reviewed across the Industry, Services and Agriculture Sectors, 17 sub-sectors reported growth with Primary Metal reporting the highest growth during the review month.

The sectoral analysis of the CBN's latest PMI report revealed that the Services sector continued its growth trajectory, expanding for the third consecutive month. At the same time, the agricultural sector, which had previously been in contraction, reversed its trend and experienced expansion for the first time in many months.

L-R: Obinna Emeribe, head. pharma sales and marketing; Ayodeji Aboderin, director, finance; Patrick Ajah, managing director/CEO, May & Baker Nigeria plc; Emem Essien, head, human capital development; Silver Ajalaye, head, pharma plant operations; and Godwin Obiakor, head, internal control and compliance, at a press briefing oo May & Baker's 80th anniversary, recently.

The business activity index, which measures overall conditions in the Services Sector, recorded a positive index value of 51.3 points in August 2024. This marks the third consecutive month of growth, reinforcing the trend of improving conditions within the sector.

The industry sector, on the other hand, remained in contraction. However, the rate of contraction slowed down compared to the previous month.

Despite the positive developments in some sectors, the majority of the 19 sub-sectors recorded a decline in economic activity, with Forestry experiencing the steepest drop.

However, the report revealed signs of growth in key areas such as output, new orders, and stock of raw materials, with indices measuring these areas registering 50.8, 50.5, and 51.3 points, respectively. The suppliers' delivery time remained stagnant at 50.0 points, while employment saw a decline at 48.7 points.

Although the composite output index indicated that production levels grew for the second consecutive month, reaching 50.8 points, the sectoral performance was mixed, with a significant disparity between the sub-sectors.

Of the 36 sub-sectors reviewed, 19 sub-sectors reported growth in production in August 2024, with primary metal registering the most significant expansion. However, 14 sub-sectors reported a decline in production, with non-metallic mineral products recording the sharpest drop.

Despite the relatively stagnant performance of fabricated metal products, electricity, gas, steam, and air conditioning supply, and utilities sub-sectors in August 2024, the composite level of new orders index indicated an overall expansion in incoming businesses and orders across Nigerian industries.

The analysis of the 36 sub-sectors showed that 15 recorded growth in levels of new orders, with primary metals leading the way in terms of growth.

While the plastics and rubber products, as well as the transportation equipment sub-sectors, remained unchanged in terms of new orders in August 2024, the remaining 19 sub-sectors recorded lower levels of new orders.

The report noted: "Out of the 14 sub-sectors surveyed, nine reported expansions, the Utilities sub-sector remained stationary and the remaining four sub-sectors reported contractions.

"The repair, maintenance, and washing of motor vehicles sub-sector saw the highest growth, whereas professional, scientific, and technical services recorded the most significant decline."

Fuel price hike spells doom for Nigerian businesses as inflation concerns mount- MAN

Joy Agwunobi

THE MANUFACTURING ASSOCIATION OF NIGERIA (MAN) has issued a warning that the recent hike in the cost of petrol across the country could result in a surge in inflation and lead to the closure of more businesses, especially small and medium-sized enterprises.

The Nigerian economy has been struggling to address a severe inflation crisis, with the inflation rate reaching 33.4 percent in July 2024. Adding to the woes, over 700 manufacturers closed down operations and 335 were distressed due to the unrelenting economic challenges in the country.

To compound the problem, the Nigerian National Petroleum Company Limited (NNPCL) reportedly raised the price of petrol from N568 to N855 per litre, sparking widespread price hikes in transport fares and other goods and services across the country.

In response to the recent petrol price hike,Segun Ajayi-Kadir, the director-general of the Manufacturing Association of Nigeria (MAN) has predicted that the impact of this increase, based on past experiences, would be a significant rise in the cost of transportation and prices of goods and services across the country.

Ajayi-Kadir noted that this price hike would further exacerbate the already dire inflationary pressures in Nigeria, leading to an even more challenging economic environment for businesses, particularly small and medium-sized enterprises.

"As the cost of petrol rises, consumers will spend more on transportation and energy, leaving them with less disposable income. This decrease in purchasing power may lead to reduced demand for non-essential goods and services, affecting businesses across various sectors. These point to the possibility of a rise in inflation figures, impacting household budgets," he stated.

According to the MAN DG, the recent petrol price hike will have far-reaching consequences on the already ailing manufacturing sector.

Ajayi-Kadir warned that this increase would further add to production input and logistics costs for manufacturers, ultimately leading to higher prices for consumers. He also noted that given the already low disposable income of the average Nigerian, this price hike would result in a decline in consumer demand, leading to a build-up of unplanned inventory and reduced capacity utilisation for manufacturers.

The MAN Director-General further emphasised that businesses across all sectors will be forced to adjust their pricing strategies in response to the petrol price hike. This, he explained, will inevitably lead to reduced profit margins, as consumer demand is expected to decline in the face of higher prices.

Ajayi-Kadir expressed particular concern for the already vulnerable SMEs, which typically operate on tight margins. He warned that the increased costs could push some SMEs to reduce their operations or even close down, as they may struggle to pass on the additional costs to consumers.

CAC to impose sanctions on unregistered PoS operators as 60-day deadline expires

Joy Agwunobi

THE CORPORATE AFFAIRS COMMISSION (CAC) of Nigeria has reiterated its call to Point of Sale (PoS) operators across the country, reminding them of an important registration deadline that was initially set for July 7, 2024.

The deadline, which was extended to September 5, 2024 to allow more operators to register their businesses, is expected to spur Nigeria's drive to formalise and regulate the growing PoS sector.

In a statement recently released by the CAC, concerns were raised over the widespread lack of compliance with the registration mandate among PoS operators despite the large number of operators present across the country.

While commending the efforts of those who have already registered their businesses, the CAC expressed its concern over the significant rate of non-compliance, which undermines the goal of formalising and regulating the industry.

In light of the observed non-compliance, the CAC noted that the reluctance to register could be due to various factors, including the potential involvement of some operators in suspicious or unlawful activities, or even a lack of understanding of the importance and benefits of registration.

The commission indicated that while there might be diverse reasons for not registering, all PoS operators must understand the importance of complying with regulatory requirements and formalising their businesses to support the growth and stability of the industry.

"Recalcitrant operators have refused to adhere to the advice for formalisation due possibly to engagements in unwholesome activities or for reasons best known to them," the commission stated.

To ensure compliance with the registration mandate, the CAC disclosed that it is working closely with law enforcement agencies and other stakeholders to enforce the registration requirements.

The commission cautioned that non-compliant PoS operators may face severe consequences, such as business shutdowns and legal penalties.

The CAC's enforcement of the registration deadline is part of a broader push by the Federal Government to address issues of fraud and

money laundering associated with PoS terminals.

The registration mandate was initially communicated in a directive from the federal government, which was relayed by the CAC, requiring PoS operators to register their agents, merchants, and individuals within a two-month period.

This directive was issued in alignment with legal requirements and the CBN's efforts to curb fraudulent activities, as well as to prohibit trading in cryptocurrencies and other virtual currencies using PoS terminals.

Recent data from the Nigeria Inter-Bank Settlement System revealed that PoS terminals were implicated in 26.37 percent of fraud incidents in 2023, highlighting the urgent need for regulation in this sector.

The CAC emphasised that the registration initiative is not only intended to address fraud but also other critical issues, such as kidnapping and ransom payments, which have become a growing concern in Nigeria.

The commission explained that the registration of PoS operators and users is essential in creating a more secure financial environment, as it allows for better tracking of transactions and provides a means to identify and mitigate potential risks.

Stories by
Sade Williams/Business a.m.

Nigeria ready to concession 4 major international airports

- Lagos MMIA; Abuja NAIA; Kano MAKIA; PHIA Omagwa in the frame for global bids
- Approval given to minister by President Tinubu
- Minister Keyamo promises transparent process

L-R: Zubaida Umar, director general, National Emergency Management Agency (NEMA); Vincent Weli, director, weather forecasting, Nigerian Meteorological Agency (NiMet); Mohammed Abdulrahman, director general, Federal Capital Territory Emergency Management Agency; and F.O Okolie, deputy corps commander, Federal Road Safety Corps, during the 'Expert Workshop on Early Warning For All, Disaster Risk Reduction Strategy and Action Plan' organised by NEMA in collaboration with the United Nations Development Programme (UNDP) and World Meteorological Organisation (WMO) in Abuja recently.

NIGERIA IS ALL SET TO PUT FOUR of its busiest international airports – Murtala Muhammed International Airport (MMIA) in Lagos, Nnamdi Azikiwe International Airport (NAIA) in Abuja, Mallam Aminu Kano International Airport (MAKIA) in Kano, and Port Harcourt International Airport (PHIA) in Omagwa – up for competitive international concession bids, it emerged over the weekend.

Plans to concession the airports have been in the works for years but were put on hold after the present government came into office just over a year ago. But Festus Keyamo, Nigeria's minister of aviation and aerospace development, said on Friday that he has now received the approval of President Bola Ahmed Tinubu to go ahead and get the process back on track.

Keyamo was in Lagos early at the weekend to inspect facilities at the E-Wing of Murtala Muhammed International Airport, where he said the big plan for the airports, especially the international airports, remains to concession them to the best managers in the world.

"We are looking for the best partners in the world to come and collaborate with us in turning the airport around and running them professionally. And all will be to the ultimate benefit of Nigerians.

"We are going public very soon and it is going to be the best. I spoke to Mr. President about it. Mr. President said, Minister, go for the best. Nobody is interested in whoever is coming to do it. The process that was done before, maybe you asked that there was a process before we came into office. We halted that process because there were complaints. I am sure you know that. There were litigations. People went to court. It was not transparent enough. But under this government, under Bola Ahmed Tinubu's government, it is going to be as transparent as possible.

"The president gave us marching orders and said go and do it as transparently as possible. Look for the best bid, the best hands to come and turn around our efforts and run our airports. And that is where we are going ultimately," Keyamo said.

The improvements at the E-Wing, he explained, is aimed at providing excellent customer satisfaction and creating more awareness about government zero tolerance for harassment, touting and extortion.

"There is a great improvement here. The management and staff worked very hard at making this place look very welcoming and a big lift from where it was before. This is not where we are going. This is not our big plan for the airport.

"But this is a low-hanging fruit we can hang on to for now. We want to make the place as conducive as possible for passengers who are coming into Nigeria. And that is why you can see that the management, they have actually initiated very simple ideas and executed very simple ideas to make the place very cosy. More lighting, new toilets, new signs. For instance, I want to show Nigerians this in particular. Now, we have been very concerned, Nigerians have been very concerned about the issue of harassment at the airport, touting at the airport, extortion by even uniformed personnel.

"Now, our first step in addressing this issue is what you have seen here. So for Nigerians, please look at this. When you come into the E-Wing of the international airport in Lagos, you are going to see a sign discouraging touting, extortion and general harassment of passengers coming into Nigeria.

"Now, there is a QR code. You must make use of it. Don't come and go to the media and complain that there is nobody to speak to when you are harassed by law enforcement agencies. Use the QR code, use the hotlines and make a call there and then. Don't say, oh, there was nobody, they dragged you to one corner and they took money from you. Make that call.

"Pick your phone and make that call and you will be attended to. We also encourage people to be courteous, to be respectful also to the law enforcement agencies at the borders. But at the same time, we have also taken measures to ensure that we put a leash around our own law enforcement agencies. So here you will see it and you will see not only this, you will see it at strategic positions around the airport. It is not the final solution to it but this is the first big step towards addressing the issue of touting," he added.

Olubunmi Kuku, managing director, Federal Airports Authority of Nigeria (FAAN), said the Authority is ready for business, adding: "but the investments we need to improve the facilities and the infrastructure in the aviation sector cannot only come in from the federal government."

She added that the minister, for this reason, has over the past few weeks engaged with the private sector as well as other government institutions globally "to make sure that we can better collaborate. Especially around new terminal development, when it comes to increasing our routes so there is some work around route development too."

AI for airport security screening coming, says FAAN's Igbafe

ACP Afegbai Albert Igbafe, director, aviation security services, FAAN

THE DEPLOYMENT OF ARTIFICIAL INTELLIGENCE (AI) for security screening across airports in Nigeria is in the works, says Igbafe Albert Afegbai, a retired assistant commissioner of police and the director of aviation security services (AVSEC), Federal Airports Authority of Nigeria (FAAN).

The plan by FAAN comes in the wake of airports globally continuing to leverage on artificial intelligence (AI) and other emerging technologies to improve access control with the deployment of AI-powered systems in Nigeria's airports now said to be "as soon as possible".

In an interview Igbafe said: "With the help of the managing director and the honourable minister, we are looking at some companies who have made propositions for AI, and as I said, we are going to do the access control, and the access control will work with an AI system, whereby when somebody is coming into the airport, there is a way they can pick you. If you have any weapons with you, if you have anything that is with you, the AI will detect it. And immediately send a signal to the command centre, we are working on that."

The AVSEC boss, who said the Authority is already closing the gaps identified by International Civil Aviation Organisation (ICAO) officials during the last security audit, added that the access control being put in place will further help in closing the gaps.

"When we came on board, we had the ICAO audit and they gave us their own marks. We met a lot of issues when we came on board. We tried to fix a lot of them by providing some of the amenities like the CCTV cameras, we upgraded them. Now, presently, we are trying to do access control whereby every individual that is coming to the airport will be properly checked because we found that we have a lot of concessionaires, we have a lot of security people who are not supposed to be at the airport that come in and out. So right now, we will put the access control in place, I think it will help us a lot and we have a lot of gaps during the ICAO audit so we're trying to fix up those gaps," he said.

Speaking on issues with perimeter fencing, Igbafe stated that the Authority has put in place a lot of measures to curb encroachments, adding that a lot is still being planned to nip in the bud, issues emanating from perimeter fencing encroachments.

"Well, if you're talking about the perimeter fencing, it's an issue in the sense that first of all, when we came on board, we had a lot of encroachments in the perimeter areas because it's a vast land. We have been trying to put in place measures with the little resources we have, mostly on patrol measures. We have patrols at night. We have observation posts, which are being manned by the AVSEC personnel. Then we have joint patrols with the military, the Air Force, and the AVSEC personnel. And because of the perimeter area too we just recently launched the armed unit of the AVSEC.

"But most of the issue we have has to do with the fencing and a lot of the fences have been destroyed by the neighbouring communities. I will tell you there is a big challenge because we will get as many as 20 to 30 intruders every night. And the problem we are having is our court system. When we hand them over to the police before we know they are released. The legal department of FAAN is collaborating with the attorney general of the state to help us get mobile courts so these things will be handled swiftly," he added.

Speaking on what has been achieved in the few months under his watch, he said: 'When I came on board, I was shocked that AVSEC has been in existence for over ten years. But, their uniforms were not gazetted.

I've done that. AVSEC personnel were not being trained. Some people five years, 10 years, 15 years ago. Some people have been in AVSEC for about 20 years, they've not gone on the course. So, with the assistance of the MD and the minister, they released funds. Even presently, as we are talking now, we have Ghanaians, Sierra Leoneans and Gambians who are attending courses in our ASTC, which is the aviation security training centre. Because we happen to be one of the security outfits or one of the countries that are certified by ICAO.

"So, we have achieved a lot. When we came in, the second international runway had been closed for over nine months. And we tried our best, the MD, the minister, the director of airport operations and the director of engineering. They all put heads together and it was reopened. I can assure you that between now and December, you will see a new face of Aviation and the airports," he said.

ASRTI dossier targeting passenger safety, comfort before FAAN chief

A DOSSIER OF DEMANDS AIMING TO ENSURE air passengers' safety, comfort, as well as general airport safety and security, improved infrastructure standards, and revenue maximisation opportunities, is now in the hands of the managing director and chief executive officer of Federal Airports Authority of Nigeria (FAAN).

Olubunmi Kuku, the FAAN chief, leading her management team to meet with executives of Aviation Safety Round Table Initiative (ASRTI), received the dossier from the aviation sector policy lobby group for consideration in the course of her work administering airports across the country.

The dossier of demands forms part of a catalogue of proposals they put forward for Kuku to consider during the meeting of the two parties.

The ASRTI team led by Demola Onitiju, a retired air commodore and its president, made a case for enforcement of compliance with Service Level Agreements (SLAs) signed between FAAN and concessionaires at the airports, provision of better comfort for airport users, including physically challenged passengers, who require separate facilities to access the terminal lounge.

They also demanded the regulation of concessionaires' access to the newly commissioned terminals and a monitoring device to ensure that duty free shop operators sell only what they were granted FAAN approval to sell at the airports.

"In the interest of health and safety of travellers, who are consumers and standard international best practices, it is important for FAAN to evolve some certification processes and establish who is selling what among the retail shop operators," said Onitiju.

He also called for urgent action on the menace of rats at the new terminal of the Lagos airport, which equally constitutes a health hazard. The issue of establishing security fences at the airports in line with ICAO standards was emphasised and the need to relocate the Lagos airport toll gate and have two, such that there is an entry into and exit from the airport area, was proposed. Those driving into the airport road area would then pay a toll, but while exiting at the exit point, they don't pay, and vice versa. This ASRTI believes, would help FAAN revenue generation.

Responding to these and other proposals, Kuku commended the efforts of ASRTI, an NGO. which she described as a pressure group, to contribute to the industry's development.

Kuku said the ongoing infrastructure projects already incorporated the needs of physically challenged passengers and that a brand new elevator was already being installed, adding that the physically challenged passengers were being considered in the ongoing facilities upgrade plan.

She also noted that FAAN was already working on a revalidation process for concessionaires, as the business development directorate was already reviewing the activities of retail shop operators to check standards, while the challenges of security at the cargo section were already being addressed by the cargo services directorate.

She further stated that on assumption of office, there was a huge gap in fire simulator training for airport fire personnel but that the personnel could confirm that the gap was being filled already.

L-R: Henry Àgbebire, director, special services, FAAN; Alex Nwuba, VP2, ASRTI; Albinus Chiedu, publicity secretary, ASRTI; John Ojikutu, (retired group captain), ASRTI; Adeola Omikunle, treasurer, ASRTI; Demola Onitiju (retired air commodore), president, ASRTI; Olubunmi Kuku, managing director/CEO, FAAN; Abdullahi Mahmood, director, operations, FAAN; Adebola Joy Ogunbiade, director, commercial & business development; Obiageli Orah, director, public affairs & consumer protection; Thomas Olalekan, director, cargo development & services; and Emiola Luqman, director, human resource & administration, at a meeting of members of Aviation Safety Round Table Initiative (ASRTI) with FAAN management at FAAN headquarters in Lagos, recently

On the dilapidated road linking FAAN Training School to the Murtala Muhammed International Airport, Kuku said her leadership succeeded in getting the Lagos State government to indicate interest in contributing to the road repairs, and that discussions were ongoing with both the state government and the federal government.

She added that some of the airport projects such as perimeter fencing of all the major airports were humongous projects, way beyond what FAAN's internally generated revenue (IGR) could carry and may require the federal government's involvement. She however stated that some aspects of the projects were already being done. Henry Agbebire, FAAN's director of special duties, said major steps were already being taken to tackle the menace of rats at the terminals, which ASRTI had noted was a health safety hazard and an embarrassment to the country.

ASRTI is a foremost aviation NGO in Nigeria with the objective of "advancement of the Nigerian aviation sector, through a consistent working relationship with the government, and knowledge sharing with stakeholders."

The organisation has, as members, professionals in aviation and allied businesses, with decades of experience in their turf. There are also corporate members made up of organisations in the sector.

The Airport Customer Experience

Preparing for airport health emergency

ONE AREA OF COLLABORATION by members of the airport community is in handling public health emergencies. With the continued speed and scope of human travel internationally, there will be a global transport network for infectious diseases such that there is a possibility of pathogens being introduced into non-endemic areas.

Airports play a critical role in responding to public health emergencies. An airport public health emergency response involves a coordinated plan to address health threats that could arise in an airport setting. This can include infectious disease outbreaks, bioterrorism threats or events, pandemic outbreaks, natural disasters, and other public health crises.

MPOX is a viral infection that Africa and its aviation sector need to pay attention to. It is spread through contact with infected animals as well as within households. It causes severe fever, flu-like symptoms and a rash of pus-filled blisters across the body, say experts. In 2022 the disease, formerly known as monkeypox, spread around the world — cases turned up everywhere from Africa to America and Australia. A newly discovered strain of the virus, described by some researchers as the most dangerous yet, now threatens to spread into various parts of Africa and so will require attention of planners in airports.

In April the Africa Centres for Disease Control and Prevention advised that there should be an increase in surveillance and contact-tracing efforts. There have been suggestions by some experts that it would be worth deploying the smallpox vaccine among high-risk groups such as sex workers and health-care workers, as it has been known in the past to offer cross-protection against Mpox, which is a related virus.

Robust national emergency preparedness is vital to mitigate the transmission of infectious diseases agents domestically and to prevent onward spread to other countries. With experience gained from the pandemic, it is obvious that there is a complex range of stakeholders who respond to an infectious disease threat being transmitted through air travel. It is therefore important that protocols be tested and practised extensively in advance of a real emergency.

Simulation exercises will include the identification of possible scenarios based on the probability of hazards and the vulnerability of populations as a basis for planning, and so will provide a useful measure of preparedness efforts and capabilities.

Emergency exercises are only valuable to the extent that airports learn from them and implement their findings into day-to-day practice. Preventing this new Mpox strain from becoming another global health crisis requires swift and co-ordinated action by airports.

There are lessons to learn from the reported case of emergency preparedness from Ireland. A large-scale simulated emergency exercise is usually conducted by one of Ireland's major international airports every three years to strengthen interagency emergency preparedness. For the first time in 2016, it included a Public Health threat and port health committee was involved in the planning.

The live real-time exercise included the notification of a possible case of MERSCoV aboard an aircraft carrying 81 people. The exercise also included an undercarriage fire and a subsequent emergency landing of the aircraft. This was a collaborative field exercise that was designed to test the public health response in the context of a complex emergency involving multiple response agencies. The exercise was reported to have involved over 200 participants at the airport including airport and airline staff and management, fire officers, police, health services responders, including national ambulance service, media, regional Public Health and other relevant sites like the National Isolation Unit for infectious diseases (NIU) and Health Protection Surveillance Centre (HPSC), observers, evaluators and passenger volunteers.

The exercise was carefully planned over a period of six months, involving development of materials, scenario writing, and interrogation of response protocols, leading to the set-up of three different field sites: the operation control centre, the passenger reception area and the plane and runway. Immediately following the exercise, a 'hot' debrief took place to clarify the main priorities and other smaller issues, to enable immediate influence on future response and to reduce recall challenges.

The World Health Organisation has declared Mpox a "public-health emergency of international concern". Not only is preparedness planning important, but there is also a need for continuous stakeholder engagement, public communication, health screening, data collection, enhancing cleaning and disinfection of high-touch surfaces and areas, and ensuring availability and use of PPE for staff as necessary. There should also be provision of training for airport staff on emergency procedures, including how to handle suspected cases of infectious diseases. Airports should educate passengers about health measures, such as proper hygiene practices and vaccination information. They should also use clear signage throughout the airport to guide passengers on health protocols while ensuring that resources such as medical personnel, equipment, and supplies are readily available.

Containing the spread of emerging diseases is not only a colossal, unambiguous public good, it is good for air travel as well as the aviation industry and other stakeholders. Not only do all stakeholders and the airport community stand to benefit, all should contribute what they can to organising a swifter, more rational response to the emerging public health challenge.

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).

Air Peace US push now urgent after NCAA explains US CAT 1 delisting

AN URGENT NEED HAS ARISEN immediately to have Nigerian carrier, Air Peace, speed up any process it is involved in to begin flight operations between Nigeria and the United States. The airline has been working on introducing Lagos-New York-Lagos flights since it began its Lagos-London-Lagos operations.

Here is why this has become urgent. Nigeria's United States Category One delisting has nothing to do with safety deficiencies on the part of Nigeria, Chris Najomo, the country's civil aviation chief has explained.

Najomo's dossier of explanation, say aviation experts, brings into sharp relief the urgency of the push by West and Central Africa's largest carrier, Air Peace, to get a footing into the US through its planned Lagos-New York-Lagos route.

Although Air Peace is yet to give an update regarding its pursuit of the route opening, the airline is understood to have been working behind the scene since it received approval from the Ministry of Aviation and Aerospace Development to operate flights on the route, flying from Lagos Murtala Muhammed International Airport to John F. Kennedy (JFK) Airport in New York.

Najomo is the director general of Nigeria Civil Aviation Authority (NCAA) and was deeply involved during recent international inspection and assessment of Nigeria's aviation facilities for which no security or safety issues came up.

In a statement he signed on behalf of the NCAA, Najomo stated that Nigeria has undergone comprehensive ICAO Safety and Security Audits and recorded no Significant Safety Concern (SSC) or Significant Security Concern (SSeC) respectively.

L-R: Adeoye Emiloju, chief financial officer; Indranil Gupta, group managing director/CEO; Auwal Dankode, the honest NAHCO staff; Didier Steullet, chief operating officer; and Sola Obabori, group executive director, all of NAHCO Plc, at the event to appreciate Dankode at the company's head office in Lagos, recently

He explained that to operate into the United States of America Nigeria, like most countries, must satisfactorily pass the International Aviation Safety Assessment (IASA) Programme and attain Category 1 status, adding that pon attaining this status, Nigerian airlines were permitted to operate Nigerian registered aircraft and dry-leased foreign registered aircraft into the United States, in line with the existing Bilateral Air Services Agreement (BASA).

He added that the first time Nigeria attained Category One Status was in August 2010 while the U.S. Federal Aviation Administration (FAA) conducted another safety assessment on Nigeria in 2014. A further safety assessment was conducted on Nigeria in 2017, after which Nigeria retained her Category One status.

However, Najomo explained that with effect from September, 2022, the U.S. Federal Aviation Administration (FAA) delisted Category One countries who, after a 2-year period, had no indigenous operator providing service to the U.S. or carrying the airline code of a U.S operator. Also removed from the Category One list were countries who the FAA was not providing technical assistance to based on identified areas of non-compliance to international standards for safety oversight.

"No Nigerian operator has provided service into the United States using a Nigerian registered aircraft within the 2-year period preceding September, 2022 so it was expected that Nigeria would be delisted as were other countries who fell within this category. Nigeria was, therefore, delisted in 2022 and was duly informed of this action in 2022.

"It is important to clarify here that the delisting of Nigeria has absolutely nothing to do with any safety or security deficiency in our oversight system. Nigeria has undergone comprehensive ICAO Safety and Security Audits and recorded no Significant Safety Concern (SSC) or Significant Security Concern (SSeC) respectively.

"It is furthermore necessary to add that a Nigerian operator can still operate into the U.S. using an aircraft wet-leased from a country who has a current Category One status.

"The NCAA continues to adhere strictly to international safety and security standards and respects the sovereignty of States, including the United States of America, as enshrined in Article One of the Convention on International Civil Aviation. This provision gives States complete and exclusive sovereignty over the airspace above their territories," he said.

Najomo explained further that it is in full realisation of this situation that has since prompted the minister of aviation and aerospace development, Festus Keyamo, to embark on an aggressive international campaign to empower our local operators to access the dry-lease market around the world which culminated in the visit to Airbus in France earlier this year and the MoU signed with Boeing in Seattle, Washington more recently.

"The honourable minister has also done a lot of work to make Nigeria comply fully with the Cape Town Convention which will bring back the confidence of international lessors in the Nigerian aviation market. We are confident that with these steps of the honourable minister, it is only a matter of time that Nigeria, not only regains, but can sustain its U.S. Category One status," he added.

NAMA, NCAA chiefs tap Montreal ICAO conference for efficiency, safety

FAROUK AHMED UMAR, MANAGING DIRECTOR, Nigerian Airspace Management Agency (NAMA), and his counterpart, Chris Najomo, acting director general, Nigerian Civil Aviation Authority (NCAA), accompanied by some top management team from NAMA, led discussion at the just concluded 14th Air Navigation Conference (ANConf/14) held at the headquarters of the International Civil Aviation Organisation (ICAO) in Montreal, Canada.

The conference is a critical global platform that gathers aviation experts to discuss issues concerning air traffic management, safety, security, and operational efficiency.

Apart from members of NCAA management, the delegation from Nigeria included other major industry leaders. The NCAA, as Nigeria's aviation regulatory body, is the focal agency for coordinating Nigeria's participation in ICAO's global initiatives.

The 14th Air Navigation Conference centred around the theme, "Performance Improvement Driving Sustainability," with the aim of fostering global consensus on performance improvement initiatives.

These discussions are vital as they address how ICAO member states, including Nigeria, can adapt to aviation's environmental challenges and the rapid advancements in operational technologies.

During the conference, technical experts engaged in detailed discussions, which led to high-level recommendations in air navigation and safety. These recommendations will also be submitted to the ICAO Council for approval and eventual adoption by the ICAO Assembly during its 42nd Session in 2025. This will significantly impact the future of aviation safety and efficiency in Nigeria as these global standards will be incorporated into national policies.

Speaking on the importance of the conference, Farouk Umar remarked: "The Air Navigation Conference is pivotal for ensuring that Nigeria's aviation sector remains at the forefront of global best practices. By participating in these discussions, NAMA is not only enhancing air traffic management capabilities but also contributing to the broader goal of making our aviation operations more sustainable and efficient."

A statement by Abdullahi Musa, director, public affairs and consumer protection, NAMA, noted that a key focus of the conference was ICAO's long-term aspirational goal (LTAG) of achieving net zero carbon emissions in international aviation by 2050. As part of these global efforts, Nigeria's aviation sector is poised to embrace innovative solutions that align with sustainability and environmental goals, while ensuring safety remains a top priority. The participation of Nigerian stakeholders in these discussions demonstrates the country's commitment to maintaining a safe, efficient, and environmentally responsible aviation industry.

NAHCO rewards honesty of staff who found, returned $10,000

Sade Williams/Business a.m.

AN HONEST STAFF OF NIGERIAN Aviation Handling Company Plc who recently found and returned $10,000 belonging to a passenger while cleaning an aircraft in Kano, has been showered with praises and rewards by the company.

Auwal Dankode, the staff concerned, was assigned alongside other colleagues, to clean the MS 878 operated by Egypt Air, but found the money left behind by the passenger on seat no 25H. He promptly turned the money over to the airline's station manager.

Indranil Gupta, group managing director and chief executive officer of NAHCO Plc, while commending Dankode for being a true NAHCO ambassador who has put into use the training he received in the company, announced the handsome cash reward, instant promotion and appointment as NAHCO Brand Ambassador.

Gupta, who led the management team in appreciating the staff at the head office of the company in Lagos said, "We are truly proud of the exemplary character exhibited by Auwal.

He is a true NAHCO ambassador and an embodiment of what NAHCO stands for, honesty, integrity, diligence and hard work."

Continuing, the GMD stated, "We celebrate your being and we want this to be just the beginning. Let the values which have been instilled by your family, guide you and groom you into an ideal leader which everyone will be proud of."

The CEO pointed out that the majority of NAHCO staff exhibit these values in their everyday work in the company.

"We urge you to continue working the same with very high integrity, diligently and continue being a good NAHCO ambassador," Gupta said.

Adeoye Emiloju, chief financial officer of NAHCO, also commended Dankode on this show of high integrity.

"The integrity you've displayed is not something that anyone can pretend to have. You've shown that it is something that is innate to you," Emiloju pointed out.

Didier Steullet, chief operating officer, also encouraged Dankode to stay on the good path.

Steullet advised: "What you have done is very good. You're the example not only of the week, but probably of the year. My only recommendation is that please keep going on the same way. Remain yourself and don't get carried away with the adulation that you are receiving on social media. You need to remain grounded and make a difference in the world. Stay on the nice side of the 'force' and your life will be good."

Sola Obabori, the company's group executive director, added, "You've become a poster boy of NAHCO not only in Nigeria but all over the world because the internet makes things global. You have done something that makes us proud. In today's Nigeria, where the value of dollars is so very high, by returning so many of them, you've done something commendable. For you to have seen something as valuable, and give it up, it shows that you're a man who has purity of heart. This is very commendable and appreciated. Every well-meaning Nigerian will appreciate what you have done."

Auwal expressed his great appreciation of the management of NAHCO for giving him the opportunity to break out from his village setting where no one has ever worked in an airport or stood close to an aircraft.

"No one in my area has ever worked at the airport. I am very grateful to NAHCO for the training they gave us and also for the opportunity to work and earn a decent living. I am greatly thankful of the NAHCO management for the honour and recognition of my effort," he stated.

Dankode invited some of his relatives to the ceremony including Jafar Maimako, Sadam Tanko, Ibrahim Mu'azu and Yusuf Mohammed.

As brand ambassador, Auwal Dankode would grace all NAHCO major events anywhere in the country, promote its brand and have the chance to travel and interact with top officials and stakeholders of the company.

CEO and chairman Sean Doyle on British Airways' transformation

From retrofitting planes to overhauling its website and upgrading its lounges, British Airways' £7 billion transformation plan puts the customer first.

SEAN DOYLE has spent most of his career at British Airways (BA) and was appointed CEO in October 2020 during the COVID-19 pandemic. Since then, Doyle has been focused on rebuilding the company to create a better BA for the airline's colleagues and customers. Earlier this year, he announced a £7 billion transformation plan, the largest investment in modernisation in its history, with more than 600 initiatives to transform the airline and revolutionise how it works across five key areas:

- providing a world-class customer experience
- achieving operational and technical excellence
- modernising its IT estate
- improving the colleague experience
- creating a culture of sustainability that's visible to its customers

In this interview with McKinsey's Stephanie Hauser, Doyle describes the key initiatives. An edited version of their conversation follows.

Stephanie Hauser: You have embarked on a £7 billion, three-year transformation with more than 600 initiatives. Can you tell us more about it?

Sean Doyle: It's a very ambitious plan that reflects the opportunities and challenges we're facing at British Airways. We're investing about half of the £7 billion into new aircraft. The other half is going into modernising the airline.

We're retrofitting our Heathrow-based long-haul aircraft with our Club Suite, the airline's new business class seat, which includes new entertainment systems and 40 percent more storage space than our existing Club World seat. This has already created a step change in the customer experience across our long-haul fleet.

I'm also very excited about the technology transformation. We are investing in and currently beta testing a new digital platform that will improve the customer experience with everything from booking to boarding. We're rebuilding from the bottom up with a new app and web experience.

We're also investing about £100 million in tools that allow us to run our operation in a much more effective and sophisticated way, in congested airport environments. We're investing in our airport facilities, such as our lounges, alongside our colleague workspaces and rest areas, as well as in tools that help our teams come to work and be their best. We're also investing in resources and training for all our people so we can run a much better and more resilient operation.

Stephanie Hause: Where do digital and analytics fit into your transformation strategy?

Sean Doyle: We're excited about AI. As we modernise our data platforms, structure our data in better ways, and use advanced technologies such as machine learning, we can improve our decision making.

There are ways the whole industry can use its data more effectively. For example, a customer flying on an airline will create about 58 different touchpoints of data. There are customers on some long-haul flights for nine or ten hours, which means there are many opportunities to give customers a more personalised experience through better use of data.

We're currently running a project to capture all of our catering data to make sure we load more of the meals we know our customers want—not what we think they want—onto our aircraft. This may sound like an obvious opportunity, but it is a very important part of the customer experience.

There are also opportunities to run our technical operations more efficiently. Through better use of analytics across data pools—not even AI—we can spot any potential issues much faster and fix them faster, which has resulted in our aircraft downtime on some of our fleet being reduced by about 40 percent.

Next, we can start to look at large language models to make operational processes easier for our colleagues to understand. Imagine an engineer taking a video or a snapshot of a fault and then getting an AI-generated library of the maintenance manual to identify and diagnose an issue very quickly. There are many opportunities we can look at and some exciting possibilities.

> *Working at an airline is very physical, and our people are our biggest asset. We have a lot of resilient people who navigate us through the good days and the bad, so investing in the things they need to do their jobs well and look after our customers is a priority. Many conversations I have with colleagues are about issues we're not getting right for the customer. There is a symmetry between things we do to give the front line a good day in the operation, happy customers, and colleague engagement*

Stephanie Hauser: Your analytics strategy has included a big investment in people. Can you tell us more about that?

Sean Doyle: Working at an airline is very physical, and our people are our biggest asset. We have a lot of resilient people who navigate us through the good days and the bad, so investing in the things they need to do their jobs well and look after our customers is a priority. Many conversations I have with colleagues are about issues we're not getting right for the customer. There is a symmetry between things we do to give the front line a good day in the operation, happy customers, and colleague engagement.

We also have a basic philosophy across our teams called "Share, Act, Close the Loop" to help us listen to and understand the issues that are troubling our people, find a solution, and close the loop. In addition, we've asked that every one of our top 50 leaders conduct a certain number of workplace visits. If they come across something that works well, they encourage people to share it. If they find a problem, they fix it, or if they can't fix it, they explain why and what else is needed to do so.

Stephanie Hauser: Your organisation is normally focused on very detailed operations and getting things right on a daily basis. How did you motivate them to embrace these longer-term changes?

Sean Doyle: A McKinsey alum once said most strategies fail because 90 percent of the people in the organisation understand the rhetoric at the very top, but they don't know what to do every day to make it happen. In 2022, we went out to our colleagues with three very simple messages. First, every second counts—meaning we want to be a punctual airline and do everything we can to get a flight away on time. Second, our rallying call was that every colleague matters and can make a difference across the airline.

And third, every customer is unique. We still use these three messages because they galvanise everybody around what's important right now.

On top of that, we created a new internal mantra as part of our journey to transform our airline. We wanted to be "a better BA." We were realistic about the mountain we were climbing. We had to be better before we could be great. So that clear simple messaging, combined with executing our strategy in the right direction, which takes a lot of tenacity and hard work—that's the magic sauce.

Stephanie Hauser: Where does sustainability fit into your transformation?

Sean Doyle: We are a hard-to-abate sector, and our goal is to achieve net-zero emissions by 2050 or sooner. We're making progress, but have more work to do, and the next phase is very challenging. Investing in new technology such as hydrogen and investing in fuel-efficient aircraft will be part of the solution. But what we need now to reduce our carbon footprint, particularly for long-haul and medium-haul travel, is sustainable aviation fuel [SAF].

We're investing in sustainability technology ventures and have SAF partnerships in the United Kingdom and United States. Our parent company, IAG, has secured 33 percent of SAF toward its 2030 target so far, but we need better policy to allow investors to take the leap, to get plants built in the United Kingdom.

Stephanie Hauser: What is your outlook for the airline industry given some of the geopolitical, climate, and other challenges you face?

Sean Doyle: I don't underestimate the impact of oscillating fuel prices and other current uncertainties we face, but I'll take that compared to three years ago when we were in the height of the pandemic, running an airline at 5 percent of normal capacity at times.

With respect to long-term demand, remember there are many people all over the planet who haven't travelled yet and many markets where aviation will boom. We have to enable efficient, sustainable travel for both those who haven't had the privilege of enjoying flying yet and those that fly regularly, and we have to continue to connect Britain with the world and the world with Britain.

Stories by Joy Agwunobi

NCC tightens grip on telecom operators with stricter Quality of Service standards

THE NIGERIAN COMMUNICATIONS COMMISSION (NCC) has issued new stringent Quality of Service (QoS) regulations for telecommunications companies, setting the stage for a major update of service standards in the industry.

According to the commission, the regulations aim to hold telcos accountable for the quality of their services across various network segments, including 2G, 3G, and 4G.

Under the newly released QoS Regulations 2024, the NCC introduced specific performance indicators such as Drop Call Rates, Call Setup Success Rates, and Traffic Congestion to ensure telcos meet acceptable service levels.

Failure to meet these standards,the regulatory body noted that it will attract severe penalties, including a N5 million fine for initial infractions and an additional N500,000 daily penalty until the issues are resolved.

The NCC mandates telcos to submit monthly QoS reports detailing their performance against the set parameters, and it also noted that it will independently verify the data through drive tests, consumer surveys, and data collection from its Network Operating Centres (NOCs).

L-R: Oluwole Dada, general manager, SecureID Limited; Bami Akinlade, group executive, technology, new business development and compliance, SecureID; Ugo Obasi, chief operating officer, AfriGO; Ebehijie Momoh, managing director/CEO, AfriGO; and Kennedy Ogbeide, deputy manager, SecureID, during AfriGO Business visit to SecureID Limited plant in Lagos recently.

The proactive approach reflects the commission's resolve to meet the ambitious 50 per cent quality of service target set by Bosun Tijani, minister of communications, innovation, and digital economy, by the end of this year.

In addition to the quality of service targets, Tijani's Strategic Agenda 2023 outlines other critical goals, including boosting Nigeria's broadband penetration to 70 percent by 2025, delivering a minimum data download speed of 25 Mbps in urban areas and 10 Mbps in rural areas, and expanding network coverage to reach 80 percent of the population, particularly underserved and unserved communities, by 2026.

To achieve these targets, the regulatory body noted that it has shifted from a broad national approach to a more granular, localised data collection strategy. By analysing quality of service metrics at smaller, community levels, the commission stated that it aims to identify specific problem areas and deploy targeted regulatory actions or optimised solutions. This localised approach is designed to enhance the Quality of Experience for consumers beyond the narrow, technically-focused Quality of Service evaluations traditionally used.

On the flipside, the new regulations come at a challenging time for the telecommunications industry, with ongoing naira devaluation and high inflation rates, telcos are struggling with financial strain which has forced many operators to slash operating expenditures, leading to a noticeable decline in service standards and impacting their ability to invest in network capacity and maintain service quality.

Industry operators have voiced concerns, arguing that without an upward adjustment in tariffs, their ability to invest in the network will be severely compromised.

Fintech experts advocate innovative solutions to o overcome barriers in cross-border payments, remittances

THE FINTECH REVOLUTION HAS taken hold in Nigeria, as the country's financial landscape undergoes a swift digital transformation. Spearheaded by the rising accessibility of mobile phones and internet connectivity, coupled with the tech-savvy nature of Nigeria's youth, the nation has seen a proliferation of fintech innovations, including Point of Sale (POS) devices, mobile payments apps, and digital lending platforms.

For millions of Nigerians who were previously disadvantaged by the rigid nature of traditional banking, the advent of fintech has been nothing short of transformative. By leveraging the reach and ease of mobile devices, financial services that once seemed out of reach have been made readily accessible through the tap of a smartphone screen.

From sending money, paying bills, and accessing loans, to everyday banking tasks that were once the preserve of a privileged few, fintech has opened a world of financial inclusivity and convenience for Nigerians.

Even as fintech continues to experience explosive growth in Nigeria, the sector has encountered various stumbling blocks in its path, impeding its potential to fully realise its impact on the economy and society. Regulatory complexities, cybersecurity vulnerabilities, and a strained payment infrastructure have all contributed to the obstacles that fintech firms grapple with in their efforts to scale.

Cybersecurity, in particular, remains a pressing concern. As digital transactions have increased, so also are the threats posed by cybercriminals. Fintech platforms, seen as prime targets, are often exploited for their vulnerabilities, leading to fraudulent activities that result in huge financial losses. These breaches not only impact the companies involved but also erode consumer confidence in digital financial services.

Addressing the multifaceted challenges facing the fintech sector requires a concerted and collaborative effort, bringing together a diverse range of stakeholders, including industry leaders, regulators, and consumers. With a view to advancing these critical conversations, the Fintech Association of Nigeria (FintechNGR) and the Africa Fintech Network (AFN) jointly organised a webinar, seeking to foster dialogue and identify solutions to the various hurdles facing the sector.

The webinar, themed "Scaling Cross-Border Payments and Remittances", was designed to explore solutions and foster dialogue among industry experts to advance the fintech sector. It brought together around 200 participants, including industry leaders and experts from Africa, Hong Kong, and Singapore, to discuss the future of cross-border financial transactions.

Speaking at the event, Jacqualine Jumah, director of Advocacy and Capacity Development at AfricaNenda, presented a comprehensive analysis of payment volume trends across Africa, shedding light on the encouraging rise in digital payment volumes, primarily driven by the widespread proliferation of mobile devices and the growing adoption of fintech solutions.

Despite these impressive gains, Jumah emphasised the significant infrastructure and regulatory challenges that could potentially hinder the sector's continued growth and development across the continent, offering valuable insights into the hurdles that must be addressed if the sector is to continue its promising trajectory.

In her address, Jumah underscored the critical importance of implementing focused and tailored solutions to effectively tackle these issues, recognising that such initiatives are essential in ensuring the continuation of the positive trajectory of digital payments across Africa.

Abiodun Animashaun, country director of Chipper Cash, lent his unique perspective, tackling some of the most pressing challenges in cross-border transactions, including fraud, data privacy, and the necessity for strategic partnerships.

Animashaun stressed the imperative need for robust anti-fraud measures to safeguard cross-border transactions, pointing out the critical role that strong public-private collaborations can play in promoting security, efficiency, and transparency in the digital financial ecosystem.

Animashaun further highlighted the difficulties that fintech companies face in obtaining reasonably priced insurance, attributing this issue to the inadequate anti-fraud infrastructure currently available.

He noted that insurance providers are often hesitant to offer competitive rates, resulting in a situ-

ation where fintech companies are left with no choice but to negotiate on a case-by-case basis to obtain adequate coverage.

Expanding on the challenges of cross-border payments, Paul Li, president of the Hong Kong Fintech Industry Association, drew attention to the complexities of international data privacy laws, which can hinder the efficient exchange of information across borders.

"While acknowledging the significant role that technologies such as artificial intelligence can play in fraud prevention, regulatory differences often hinder the development of the necessary infrastructure,"he said.

Li further advocated for a more unified approach at the governmental level to facilitate smoother data transfers stating: "mobile-based solutions and blockchain technology could provide more streamlined and secure alternatives for managing digital identities."

Strategic partnerships were a recurring theme throughout the webinar, with Ho Chee Wai, lead consultant at JFourth Solutions in Singapore, adding to the discussion by emphasizing the critical role these alliances play for financial institutions seeking to expand their presence across Africa.

Building on this point, Wai underscored the critical importance of strategic alliances with established regional players in order to effectively navigate the complexities of expanding into new markets across the continent.

Wai argued that collaboration with local partners not only accelerates the setup and operation of financial services but also offers a pathway to overcoming the logistical and operational challenges that can arise in conducting regional operations in Africa.

Continuing the exploration of innovative solutions for the African financial landscape, the panel discussion addressed the transformative potential of a unified digital identity system for the continent.

The tech experts envisioned the use of mobile phones and biometric data in conjunction with blockchain technology to develop ID tokens that could revolutionize the traditional Know Your Customer (KYC) process.

They all agreed that by harnessing the power of blockchain-based identity verification, financial institutions could bypass the hurdles typically encountered with traditional identification methods, resulting in a faster, more secure, and more efficient method for customer onboarding and KYC compliance.

Flutterwave boosts finance team with former Citi executive, Mitesh Popat, as new CFO

Joy Agwunobi

FLUTTERWAVE, A LEADING African payments technology company, has announced the appointment of Mitesh Popat as its new Chief Financial Officer (CFO).

The appointment of Popat, a seasoned financial expert with a wealth of experience in diverse global markets, underscores Flutterwave's commitment to strengthening its financial operations and propelling the company's growth to the next level.

Flutterwave stated its optimism that Popat,who has over 20 years of experience in financial services spanning North America, Europe, the Middle East, and Africa, is well-positioned to align the company's financial strategy with the company's overall vision, driving sustainable growth and advancing the company's position as a leading African payments technology provider.

Prior to joining Flutterwave, Popat held executive positions at Citi, including Chief Financial Officer for the Middle East and Africa, where he managed finance operations across 29 countries. He also served as CFO for Global Equities Sales and Trading, overseeing financial leadership for a $5 billion revenue business.

At Citi, he worked closely with regional and division CEOs on strategic planning, performance management, and balance sheet optimisation, while also effectively communicating the financial strategy to stakeholders.

Popat, in his new role at Flutterwave, will oversee the company's corporate finance functions, using his expertise to support growth plans, manage resources, and drive strategic execution.

Commenting on his appointment, the new chief financial officer of Flutterwave, expressed his enthusiasm about joining the company, noting that he is eager to contribute at this pivotal stage in Flutterwave's journey.

Popat highlighted his experience in managing the complexities of emerging markets like Africa and stated his intention to leverage this expertise to drive the company's growth and optimise its business model for sustained profitability. He also mentioned his commitment to enhancing Flutterwave's financial position and improving operational efficiencies through innovation.

Welcoming Mitesh, Olugbenga 'GB' Agboola, founder and CEO of Flutterwave, described the appointment as strategic fit, stating, "We have an ambitious goal to connect Africa to the world, and Mitesh's extensive experience within Africa's financial landscape aligns perfectly with our vision."

Agboola expressed confidence that Popat's strong background in financial management and his commitment to customer-focused solutions would be instrumental in driving Flutterwave's next phase of growth, adding value to both enterprise merchants and retail customers within the African fintech landscape.

Airtel Nigeria's subsidiary secures 3 licenses to unlock new revenue streams

Joy Agwunobi

A MAJOR MILESTONE FOR Airtel Africa's Nigerian operations was recently achieved as Airtel Nigeria Telesonic Limited, its subsidiary, obtained three licenses from the Nigerian Communications Commission (NCC).

The development is set to strengthen the telecom giant's efforts to expand its fibre network and enhance digital infrastructure across the most populous African country.

The newly acquired licenses, including National Long Distance, Internet Service Provider, and Sales & Installation Major, are expected to pave the way for Airtel to effectively meet the growing demand for data services in Nigeria.

"The companies listed below are those that have fully paid their licence fees and have received their licence documents for their respective telecommunications operations before the reclassification of licences into class and individual categories," the NCC stated.

With a 20-year National Long Distance licence in hand, Airtel can now build and operate a long-distance network for voice, data, and video services within Nigeria, enabling the company to provide reliable and efficient communication services to its customers throughout the country.

In tandem with this significant development, Airtel also secured two additional licenses – Internet Service Provider and Sales & Installation Major – both valid for five years. These licenses further underscore the company's commitment to expand its services and bolster its footprint in the Nigerian telecommunications market, supporting the nation's rapidly growing digital landscape.

Airtel Nigeria Telesonic Limited was launched in February 2024 as a wholesale fibre division, with the primary objective of transforming the data market across Africa.

This strategic move by Airtel builds upon the successful December 2023 launch of Nxtra, the company's data centre business. Nxtra was established following the opening of Airtel's Tier 3 data centre in Lagos, Nigeria, in 2022.

Segun Ogunsanya, the CEO of Airtel Africa, highlighted the African continent's ongoing digital transformation during the Telesonic launch event, placing particular emphasis on the growing demand for data services, particularly among Africa's growing youth population.

Ogunsanya explained further that the planned expansion of Nigeria's fibre optic network is a key component of the broader strategy aimed at achieving the Nigerian government's target of connecting all 774 local government areas and increasing broadband penetration to 70 percent by 2025.

With the recent move of Airtel Nigeria into the competitive ISP market, the landscape is set for a shake-up.

Data & Information Governance Insight

Nigerian businesses overlook data protection, physical security link

MICHAEL IRENE, PhD

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IN 2023, THE NIGERIA DATA PROTECTION BUREAU (NDPB) launched investigations into over 110 companies for data breaches, targeting industries such as banking, telecommunications, and gaming. These investigations highlighted a concerning trend: while businesses have been focusing on physical security, they often neglect the crucial link between protecting their physical assets and securing their digital data. In a world increasingly driven by digital transformation, Nigerian CEOs must recognise that data protection is as critical to their business as any other form of security.

Consider a case where an employee's negligence led to a significant breach of customer data. An employee failed to properly log out of a workstation, leaving confidential customer information exposed to unauthorised access. This wasn't an elaborate cyberattack but a simple, preventable mistake. Such breaches not only damage a company's reputation but can also lead to severe regulatory consequences. In this instance, the company faced investigations and a potential fine for failing to protect customer data adequately.

These types of incidents highlight how data protection is not just a matter of cybersecurity; it is also intrinsically tied to how businesses handle their physical environments. Nigerian businesses, like many across the globe, often invest heavily in physical security systems — biometric access, CCTV, and security guards — yet fail to consider that these same principles must apply to their digital infrastructure. Physical security measures play a critical role in protecting sensitive data. A locked server room or secure workstation access can prevent unauthorised access just as effectively as firewalls or encryption.

The case of Meta's $220 million fine in Nigeria further illustrates the consequences of failing to protect data properly. The fine was imposed for unauthorised cross-border transfers of personal data, a violation of the Nigeria Data Protection Regulation (NDPR). This penalty sends a clear message that Nigerian regulators are taking data protection seriously. CEOs who fail to implement robust data security measures face not only financial penalties but also the erosion of customer trust.

Many Nigerian CEOs are now realising that digital security and physical security are two sides of the same coin. Historically, businesses focused on protecting physical assets — installing reinforced doors, hiring security personnel, and deploying access control systems. In today's business environment, however, protecting data is just as important. A company's digital assets, such as customer databases and intellectual property, are often more valuable than physical ones. The financial and reputational damage from a data breach can far exceed that of physical theft. For example, in another case investigated by the NDPB, an employee maliciously accessed confidential data after being terminated, using a USB drive to steal sensitive company information. This highlights how insider threats — whether accidental or malicious — can be as dangerous as external cyberattacks. In many cases, these breaches occur due to inadequate physical security protocols, such as allowing former employees to retain access to company systems.

So, how can Nigerian CEOs address these growing challenges? One of the first steps is to ensure that access to both physical and digital assets is tightly controlled. Only authorised personnel should have access to sensitive information, and businesses should continuously monitor who accesses what. This includes limiting access to server rooms and using secure workstations that automatically log users out after a period of inactivity.

Employee training is also vital. Often, data breaches are the result of human error rather than malicious intent. By educating employees on the importance of data security — such as how to recognise phishing attempts, secure their workstations, and handle sensitive data — businesses can significantly reduce the risk of accidental breaches. CEOs must also ensure that incident response plans are in place. In the event of a breach, having a clear protocol for containing the issue and notifying affected parties can mitigate damage.

Encryption is another essential tool in the data protection arsenal. By encrypting sensitive data, businesses can ensure that even if information is intercepted, it cannot be easily accessed or misused. Regular audits of data systems and security measures can help identify vulnerabilities before they are exploited.

Ultimately, the convergence of digital and physical security is no longer a theoretical concern — it is a reality for Nigerian businesses. CEOs who fail to recognise the importance of integrating data protection into their broader security strategies risk facing regulatory penalties, financial losses, and a loss of customer trust. As more Nigerian companies embrace digital transformation, the role of the CEO in overseeing both physical and digital security has never been more critical.

Nigerian businesses must shift their mindset and view data protection as an integral part of their overall security infrastructure. By implementing strong access controls, training employees, encrypting data, and having a robust incident response plan, CEOs can protect their businesses from the growing threats of data breaches. In today's interconnected world, securing both physical and digital assets is not just good practice — it is essential for business survival.

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Africa & Global Observatory

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Is Africa back from FOCAC with new focus?

ESWATINI, THAT TINY COUNTRY in the Southern African region was the only country not represented in Beijing last week during the ninth triennial summit on China-Africa relations. The summit, which is generally referred to as the Forum on China-Africa Cooperation (FOCAC), has turned Beijing visits by African heads of state to some sort of pilgrimage. And the 2024 summit was no different. What was different was that China has adopted a style of alternating the hosting between China and Africa. The eighth summit was held in Dakar, Senegal in 2021.

The weaknesses of Africa are becoming more amplified as it is now becoming customary for China to make superlative announcements of money the country intends to commit to Africa. Often nebulous in details, such money is usually said to be for Africa's infrastructural development. And most African countries appear upbeat about it. However, the Eswatini's position of recognising Taiwan's sovereignty as a nation is a principled stance which irks China. Thus, in that circumstance, Eswatini has no diplomatic ties with China. The remaining 53 African countries are unprepared for that as they court China and curry its favour. Clearly, African countries falling heads over heels on China have failed to realise that it is even China that reaps most of the benefits of its relationship with Africa. This has to do with Africa's lack of a strategy for engagement with China, whereas China keeps an eagle eye vigilance on Africa.

Although the figures emanating from China-Africa trade relations sound great, the stories behind such figures have yet to be curiously critiqued by any serious African leader. While China-Africa trade reportedly reached a record high of $282.1 billion in 2023, up 1.5 percent year on year, what is often missed is the trade asymmetry between the country and Africa in which case the balance of trade is more in favour of China than Africa. Specifically, Africa perennially experiences a deficit in its trade relations with China, with African countries spending hugely in importing products of technology while exporting low end raw commodities to China. In 2023, for instance, China's imports involved mainly African nuts, vegetables, flowers and fruits which attract little value and low revenues.

China's interests in Africa's timber, minerals and petroleum are remarkable. Apart from questions raised about human rights violations in China's operations in some countries, there are allegations about environmental impacts of China's exploits in the extractive industries, namely mining and logging. Moreover, there are widespread complaints about China's practice of importing its citizens into Africa to do menial jobs that Africans can do, thereby robbing Africans of the benefits of seasonal or project-related job opportunities. It is no longer news that China's mostly State-Owned Enterprises are the handlers of projects funded with Chinese loans to African countries, which casts some doubts on the level of transparency involved in such projects as well as the loans from China. In particular, approval of loans for projects that failed feasibility study tests have been alleged in the past, leaving people bewildered on how much they can possibly trust China on loans. The Hambantota port project in Sri Lanka remains a reference case in point.

Fears of legal footnotes and fine prints in bilateral agreements that could jeopardise the interests of borrower countries are among the concerns often raised about borrowing from China, in which case China goes for the debtor nations' jugular while asking for repayment. Seizing nations' strategic sovereign assets in return for loan default can be humiliating, can hurt national pride and can lower its esteem. But that is irrelevant to China. The Hambantota port project was reportedly not well thought-out at the onset, plunging Sri Lanka into a conundrum and a vulnerability to China's own term, which led to China's takeover of the said port for 99 years from 2018 in lieu of loan repayment. In essence, Hambantota port was built by China for China on Sri Lankan soil, occupying 15,000 acres of land. It may well be that China was well ahead of Sri Lanka in scenario thinking and permutations on the project before staking its funds to it. The transfer gave China control of a vast territory just a few hundred miles away from India's shores, and provided a strategic foothold along a critical commercial and military waterway. China's loan to Sri Lanka could therefore be safely assumed to have been for a purpose entirely different from what Sri Lanka originally believed as it now becomes a place for China to exert its influence over a rival nation from a different geographical location.

The Hambantota port project also gave away China's proclivity for ambitious use of loans and aid to gain influence around the world. It also opens China up for criticisms on its willingness to play hardball to collect back its loan in cash or in kind. China's renewed Belt and Road Initiative (BRI) under President Xi Jinping is also suspect as it tends to elicit accusations that the global investment and lending programme amounts to a debt trap for vulnerable countries around the world, fueling corruption and autocratic behaviour in struggling democracies.

The periodic rituals of announcing huge sums of money for Africa would look superficially well-intentioned. But, to what real endgame are such announcements? In 2018, China announced $60 billion of such money for Africa. It dipped by one-third to $40 billion in 2021 and has just been increased this year to $50.7 billion. What for?

FOCAC may indeed be gaining traction in Africa. While the 2015 FOCAC meeting in Johannesburg attracted 13 African heads of state or government, the 2018 FOCAC in Beijing had over 50. The subdued attention in Dakar in 2021 could be attributed to COVID-19 pandemic restrictions in which case, China's Xi himself delivered his speech virtually to the attendants. Now, this year's attendance was by all but one country from Africa. But after that jamboree, when and how Africa will operationalise the gains of the pilgrimage are the next set of questions that must be practically, objectively and realistically answered by the attendees.

The trade relations between China and typical African countries are quite obvious. In 2022, China exported $21.4 billion goods to Nigeria, including $792 million non-knit women's suits, $566 million rubber footwear and $503 million broadcasting equipment. Although the total trade volume has now risen to $24 billion, Nigeria's exports to China are mostly petroleum and gas estimated at $451 million, crude petroleum of about $299 million, and $94.6 million of lead ore over the past five years.

Rather than continuing to appear helpless and desperately in need of external support, Africa will have to figure out how to properly position itself in its relationship with China in ways that will bring trade surplus to Africa on a sustainable basis. One of such steps had been taken in September 2021 by DR Congo's President Félix Tshisekedi, during his call for a review of the 2008 mining contracts agreement signed with China by his predecessor in office. In Tshisekedi's opinion, DR Congo deserves a fairer share of its vast mineral wealth. Accordingly, Mr. Tshisekedi announced his intention to see the "technical and financial details of Sino-Congolese contracts" and renegotiate mining contracts, particularly the negotiated highly contentious minerals-for-infrastructure contract with the Chinese in 2008 valued at $9 billion under the former president Joseph Kabila, who held power from 2001 to 2019.

During his period in office, Tanzania's late president John Magufuli discontinued the age-long mining tradition of processing outside the country. Very much like Magufuli is the present military head of state in Burkina Faso, Captain Ibrahim Traoré. In 2023, he revised the country's mining code to enable it to take more in royalties in boom times. He suspended all foreign mining licenses, including those held by Russian companies. Lately, Traoré threatened to withdraw mining permits granted to companies from countries that refuse to sell military equipment to Burkina Faso. For other African countries, similar tough decisions need to be made by their leaders such that they do not appear beholden to any country that is profiting at the expense of Africa.

It is therefore important for Africa to turn the table in the China-Africa trade relations by becoming more self assertive and setting the rules of engagement rather than just taking dictations from China. Looking inwards, African countries can decide to do without the handouts from China that have an appearance of benevolence. Many of those infrastructural development projects upon which African countries take Chinese loans could be financed through alternative means under less stringent and highly demanding conditions. Meanwhile, the Grand Ethiopian Renaissance Dam (GERD) was constructed partly with the money obtained from the bonds raised by the government of Ethiopia from citizens at home and in the diaspora. On remittances to Nigeria, PWC, a consultancy, estimated that migrant remittances could grow to $25.5 billion, $29.8 billion and $34.8 billion in 2019, 2021 and 2023 respectively. These, if managed through formal channels, could help Nigeria greatly in financing major development projects.

The vulnerability of Zambia to China on account of sovereign loans is already well documented. One of the projects for which Zambia obtained China loans was a railway project in Zambia. By 2019, when China came, threatening to recover all, the China Exim Bank clarified that it now has full control over Kenneth Kaunda Airport, Zambia's main broadcast corporation and ZESCO power plant, the country's main public electricity utility. The downside of China's debt diplomacy has enormous implications. Based on this, some countries recently turned down China's loans on account of terms that have the potential of enslaving them. Malaysia, Pakistan, Nepal, and a host of others could not go ahead with loan agreements with China because of reservations about China's style. Even a poor Myanmar recently expressed misgivings about falling into what was described as "debt trap" in China's loan.

And, unlike the multilateral lending agencies such as World Bank and International Monetary Fund (IMF), China's loans have been objects of harsh criticisms for their seeming rigidity in terms of repayment. During Olusegun Obasanjo's presidency, a defaulting Nigeria enjoyed $18 billion debt forgiveness, written off by Paris Club, a cartel of lenders. China loan emphasises none of these. African countries' political leaders therefore need to understand their bargaining strength and deploy it well in their diplomatic and trade relations with China. They should stop giving an impression that they are beggars who desperately need one country to help them out of financial doldrums. Africa, made up of 54 countries, should stop the mentality of dependency on any single foreign nation. It should rather start attracting them and making them compete for Africa's attention and approval, no more the other way round.

While China-Africa trade reportedly reached a record high of $282.1 billion in 2023, up 1.5 percent year on year, what is often missed is the trade asymmetry between the country and Africa in which case the balance of trade is more in favour of China than Africa

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