NEWS

DMO off track on system hiccup

TWO CONSECUTIVE COUPON payments on savings bonds issued by the federal government through the Debt Management Office (DMO) have been missed due to ongoing system and processing issues, according to recent reports....

Page 4

FINANCE & INVESTMENT

Nigerian equities on bullish beats

INVESTORS IN THE NIGERIAN equities market were rewarded with a profitable trading week as the Nigerian Xchange Group (NGX) recorded a rise in market capitalisation to N56.46 trillion, a N454.86 billion increase from the prior week's...

Page 13

COMMENT

Motivation theory and excellence

THERE ARE TWO GROUPS OF employees or project team members based on their attitudes towards achieving organisational or team goals. There is a group of employees who are interested in the success of the organisation as a 'going concern.' These are the 'positive'...

Page 8

Nigeria's Financial & Business Newspaper

Monday, September 23 - Sunday, September 29, 2024 www.businessamlive.com

business a.m.

TOWARDS MORE EFFICIENT MARKETS

Emerging economies to drive surge in global energy demand by 2050

PHILLIP ISAKPA

GLOBAL ENERGY DEMAND is growing faster than projected and a surge in this demand by 2050 is expected to be driven by emerging economies, a recent report by McKinsey & Company, the international management consultancy has stated.

The report, "Global Energy Perspective 2024", which it describes as presenting a data-driven view of the possible road ahead as the global energy transition enters a new phase, noted that the growing energy demand will continue to increase to 2050.

Two global energy demand growth trajectories of 11 percent and 18 percent are projected in the 'Continued Momentum' scenario and in the 'Slow Evolution scenario', respectively, the report stated.

According to McKinsey in the report, "Global energy demand is growing faster than expected and a more challenging geopolitical landscape — combined with the emergence of new sources of demand and smaller-than-expected efficiency gains — means the evolution of demand growth could see rapid changes in unexpected directions."

The McKinsey report said emerging economies will be responsible for most of the projected growth, noting that this would be because these are places where growing populations and a strengthening middle class will result in higher energy demand.

It also stated that the relocation of manufacturing industries from mature to emerging economies will further shift demand to these economies.

Developments in emerging economies, particularly ASEAN countries, India, and the Middle East, are critical, given that these regions are projected to drive be-

Page 2

Analysts gauge MPC's next move as Nigeria's monetary policy on knife edge

ONOME AMUGE IN LAGOS, NIGERIA

THE CENTRAL BANK OF NIGERIA'S MONETARY POLICY COMMITTEE (MPC) will open its fifth meeting of the year today 23rd and for two days, including tomorrow 24th of September, it will weigh up many economic indicators to set a monetary policy rate for the country many analysts say has an economic future that currently hangs in the balance.

The meeting promises to be a high-stakes event as policymakers attempt to address the country's persistent inflationary pressures, currency instability and other economic challenges that have been a thorn in Nigeria's economy, all while preserving economic stability.

The frequency with which the MPC assembles to examine and calibrate monetary policy, including interest rates, has served as a focal point for intense debate among economists and market players, as they weigh in on the efficacy of these measures and their potential impacts on the wider economy.

With each convening of the MPC, the nation's financial landscape hangs in the balance, as the committee's decisions have the potential to reshape the economic trajectory and influence the fortunes of households, businesses, and investors alike.

The CBN Monetary Policy Committee has in recent times, embarked on a tightening approach to monetary policy by raising the Monetary Policy Rate (MPR) in an effort to address persistent inflationary pressures.

In a show of determination to curb the rampant inflation that has plagued the nation's economy, the MPC took decisive action in its latest meeting held in May 2024,

Page 2

L-R: Aigboje Aig-Imoukhuede, chairman, Access Holdings plc; Bolaji Agbede, acting chief executive officer, Access Holdings plc; Wale Edun, minister of finance and coordinating minister of the economy; Aliko Dangote, president, Dangote Group; Bismarck Rewane, managing director/CEO, Financial Derivatives Company Limited; Paul Usoro, chairman, Access Bank plc; Taiwo Oyedele, chairman, presidential fiscal policy and tax reforms committee; and Roosevelt Ogbonna, managing director/CEO, Access Bank plc, during the 2024 Access Corporate Forum in Lagos, recently.

TRAVELLER & HOSPITALITY

Global aviation lifts Nigeria rating

THE GLOBAL AVIATION GROUP KNOWN AS AVIATION WORKING GROUP (AWG) co-chaired by Boeing and Airbus, aircraft manufacturers, has raised Nigeria's global score on its compliance status...

Page 26

TECHNOLOGY & INNOVATION

Nigerians hit by cybercrime wave

THE RAPID ADVANCEMENT OF digital banking in Nigeria has brought convenience to millions,as financial transactions...

Page 30

COMMODITIES & AGRICULTURE

Poultry industry stumbles in Nigeria

THE POULTRY SECTOR IN NIGERIA, RENOWNED for its robust commercialisation, is a vital pillar of the livestock subsector, boasting a staggering population of 563...

Page 22

VISIONARY VOICES

Helping Women Adapt to Extreme Heat Helps Us All

LONDON/SAN FRANCISCO – Climate shocks – from heat waves to droughts, floods to wildfires – often hit women the hardest. New research published this May in The Lancet found that even in wealthy European countries, women died at nearly twice the rate as men from extreme heat over the last...

Page 11

EXECUTIVE KNOWLEDGE SERIES

Negotiating Beyond Win-Win

CONSTRUCTIVE DIALOGUES AND sustainable negotiation strategies can bring us closer to a more humane world.

The world is becoming more interconnected. Digital platforms and social media are giving us a greater "voice" and more ways to form groups, which enable the airing of diverse opinions and can lead to higher chances...

Page 15

For subscription call: 07039371360

N250

No 346

Analysts gauge MPC's...

Page 1

cranking up the country's MPR by 50 basis points to 26.75 per cent, the third rate hike in a row this year.

The unrelenting drive to tame inflation saw the apex bank increasing interest rates a remarkable 11 times consecutively since May 2022, in a bid to gain the upper hand over inflation's stubborn hike.

The MPC's latest monetary policy salvo saw it continuing its inflation-taming crusade, as it wielded its tools of interest rates, liquidity and reserve requirements in a coordinated assault against inflation.

A 45 percent cash reserve ratio (CRR) for Deposit Money Banks and 14 percent for merchant banks, a 30 percent liquidity ratio and an expanded asymmetric corridor for the MPR from +100 to -300 basis points, widening the range to +500 to -100 basis points, were amongst the monetary orchestra conducted by the MPC, each instrument playing its part in the inflation-busting symphony.

Yemi Cardoso, the CBN governor, who doubles as the chairman of the MPC, provided an explanation of the committee's decision to hike the MPR, citing recent economic developments as key drivers in this policy move, including the need to stabilise the foreign exchange market and tame inflation.

Cardoso underscored the MPC's resolve to take decisive and necessary actions to ensure a stable economic environment, declaring that the committee is unflinching in its mission to safeguard the financial well-being of the Nigerian economy.

In a welcome respite for the Nigerian economy, recent data released by the National Bureau of Statistics (NBS) revealed that the country's headline inflation rate eased to 32.15 percent in August 2024, marking a notable decline of 1.25 percentage points from July's figure of 33.40 percent.

As the Nigerian economy waits with bated breath for the outcome of today and tomorrow's MPC meetings, economic analysts have begun to weigh in on their predictions, with Anthony Kila, a professor of Strategy and Development at the Commonwealth Institute of Advanced and Professional Studies, positing that for most Nigerians, little will change in the wake of the meeting.

Kila, speaking from his experience and deep knowledge of the Nigerian economy, highlighted the fact that while the recent inflation decline might be an encouraging sign, the MPC's policy decisions may not immediately translate into tangible improvements in the lives of ordinary Nigerians, given the complex dynamics of the economy.

"As the MPC prepares to meet on Monday and Tuesday, Sept. 23rd to 24th, it is safe to say that only one of three outcomes is possible. They either increase, decrease or keep interest at the same level.

"My suggestion for them is to pause the hike in interest rates. However, none of these outcomes will matter to most in the country," he stated in a note made available to Business a.m.

In his analysis of global economic trends and their contrast with the Nigerian situation, Kila emphasised the marked difference in the perceived significance of MPC meetings in well-developed economies as opposed to the Nigerian setting.

He observed that in more robust economies, MPC meetings are highly anticipated and their outcomes felt across a variety of sectors, ranging from finance to retail, and real estate, as interest rates are perceived as a crucial element affecting every facet of the economy.

According to the economic analyst, Nigeria's economic environment remains largely unresponsive to interest rate changes, with the majority of Nigerians being directly affected only by fluctuations in the foreign exchange rate, a factor that lies outside the realm of influence of the MPC.

Kila highlighted another potential weakness in the committee's approach to inflation control being the use of inflation rates that may not accurately reflect the lived experiences of most Nigerians.

According to him, with inflation figures that may not align with the everyday realities faced by the majority of the population, the MPC's efforts to curb inflation could be viewed as theoretical or academic exercises, or at best, interventions that only benefit a select few.

Seeking to strengthen the effectiveness of the MPC, Kila suggested that the CBN should take heed of the limitations of its current metrics and make concerted efforts to reform its index for inflation, growth, and other economic indicators, creating more accurate and representative measures.

In addition, Kila proposed that the CBN take concrete steps to enhance the role of interest rates in the lives of everyday Nigerians, by actively supporting the development of consumer finance facilities and processes, and by fostering a more balanced relationship between monetary and fiscal policy.

L-R: Adaranijo Ibikunle, chairman, Association of Private Practising Surveyors of Nigeria, Lagos State Branch; Kasim Kolade, chairman, Nigerian Institution of Surveyors (NIS), Lagos State Branch; and Akinloye Oyegbola, past president of NIS, during the Year 2024 annual professional workshop and luncheon of the Association of Private Practising Surveyors of Nigeria (APPSN) in Lagos recently. IMAGE BY PIUS OKEOSISI

Meanwhile, financial analysts at Afrinvest West Africa have postulated that the CBN's Monetary Policy Committee will likely remain steady in its approach to interest rates during its forthcoming meeting, citing the mounting concerns around rising energy costs, which they predict may serve as a catalyst for a potential uptick in inflation.

In its analysis, Afrinvest highlighted a positive convergence of trends, with inflationary pressures easing in the last two months, dovetailing with a remarkable uptick in GDP growth, suggesting a possible emergence of more favourable economic conditions.

The most recent data by the NBS indicated that GDP growth in the second quarter of the year expanded to 3.19 percent on a year-on-year basis, marking a notable increase from the previous quarter's figure of 2.98 percent, underpinned primarily by strong performance in the services sector, which achieved a 3.79 percent year-on-year growth rate.

Although the recent economic developments offer reasons for optimism, the financial analysts at Afrinvest have warned that the MPC should remain mindful of potential headwinds that could undermine the current progress in tackling inflation, including risks emanating from the energy sector and the disruptive consequences of widespread flooding.

"Given these conditions, we believe that a rate cut at this juncture would be premature," they noted.

In making their case for a more restrained approach to interest rate hikes, the analysts at Afrinvest pointed to the potential negative consequences of further increases on consumption and production activities, as well as government borrowing.

This cautionary stance is rooted in the recognition that the MPC must balance the competing priorities of price stability and economic growth, a task that requires careful consideration of the macroeconomic environment and the potential risks posed by various policy options.

Drawing on their projections, the analysts at Afrinvest have foreshadowed a gradual slowing of the bullish trend in the fixed income market, as investors gauge the impact of the MPC's policy decisions and the evolving economic landscape.

This more tempered outlook, they predict, will likely lead to a more circumspect approach in the equities market, as investors seek to explore the potential risks and opportunities presented by the current economic conditions.

Analysts at Cordros Research, in their analysis of the current economic landscape and the potential policy options for the MPC, projected that interest rates will likely remain at the current level of 26.75 percent.

Their forecast is underpinned by their reading of the dovish signals emanating from the CBN's adjustment of the asymmetric corridor, which they interpret as a move to limit the impact of monetary policy on the economy.

"Our baseline expectation is for the MPC to adopt a "HOLD" stance in the forthcoming meeting, as we expect the Committee to refer to the recent decline in headline inflation, even as inflation risks are now strongly tilted to the upside.

"Additionally, the intensification of global monetary policy easing reduces the risk of capital flight from developing markets like Nigeria, lessening the pressure for defensive rate hikes," Cordros noted.

Cordros analysts observed that the global economy is seeing a marked shift in monetary policy as headline inflation edges closer to target levels, leading to central banks easing up. They also noted that on the domestic front, while GDP growth remains stable, inflation has shown signs of deceleration for two consecutive months. However, the analysts have flagged the potential for a near-term uptick due to the 50.5 percent increase in the base price of petrol to N855.00 per litre, which is expected to ripple through the economy and fuel inflation.

In addition to the recent hike in petrol prices, Cordros noted the CBN's attempt to stabilise the naira in the face of persistent demand pressure.

Taking all these factors into account, Cordros analysts anticipate that the CBN is likely to adopt a more cautious approach, opting to maintain the interest rate as a means of supporting economic stability and preserving growth.

Emerging economies...

continued from page 1

tween 66 and 95 percent of energy demand growth to 2050, depending on the scenario, the McKinsey report disclosed.

ASEAN countries will account for a substantial part of this growth, the report authors wrote, adding that this will cement the region as a key energy demand centre, which is then expected to further reshape global energy trade flows and increase the region's geopolitical importance.

"In mature economies, as well as in China, overall demand is projected to flatten in the short to medium term. However, there are several forces at work that could affect the demand trajectory in different regions. In the United States, industrial resurgence would drive demand growth through electrification, while in Europe, by contrast, continued deindustrialization would lead to declining demand in the region," the McKinsey report stated.

The rise in energy demand is expected to present challenges to the energy transition, in terms of how the world will meet the projected increase, the report stated.

According to the report, both RES (Renewable Energy Systems) and new fossil fuels build-out will be required to ensure demand is met by supply, and nuclear power could play a bigger role in the years beyond 2050.

"However, for all these energy sources, lengthy project timelines and higher interest rates could add costs and put project execution at risk," the report noted.

The report also identified the growth in electricity demand, which has been on for decades. According to the McKinsey report, electrification is accelerating, noting that, "Our analysis suggests that, between 2023 and 2050, electricity consumption could more than double in slower energy transition scenarios, and nearly triple in faster scenarios."

The report authors noted that this is in comparison to total energy consumption growth of up to 21 percent over the same period. Electricity is projected to become the largest source of energy by 2050 across scenarios, with consumption coming from traditional sectors (for example, electrification of buildings), as well as newer sectors (such as data centres, EVs, and green hydrogen).

McKinsey noted that while electrification is accelerating, its analysis suggested that, between 2023 and 2050, electricity consumption could more than double in slower energy transition scenarios, and nearly triple in faster scenarios.

"This is in comparison to total energy consumption growth of up to 21 percent over the same period. Electricity is projected to become the largest source of energy by 2050 across scenarios, with consumption coming from traditional sectors (for example, electrification of buildings) as well as newer sectors (such as data centres, EVs, and green hydrogen)," the report stated.

The report explained that of the new demand centres for energy consumption, the most striking is the rise of artificial intelligence (AI) and the associated boom in data centres.

"The effect that AI could have on future energy demand could vary substantially depending on the growth trajectories of its many applications, as well as those of other technologies. Our research estimates that the rise of cloud solutions, cryptocurrency, and AI could see data centres accounting for 2,500 to 4,500 terawatt hours (TWh) of global electricity demand by 2050 (5 to 9 percent of total electricity demand)," said the report.

It noted that data centres are mostly powered by electricity (with backup generators) and have constant demand, creating greater need for gas or other firming sources of energy to balance out the intermittency of renewable energy sources (RES).

McKinsey also explained that under the "Continued Momentum scenario," global green hydrogen consumption is projected to increase to 179 megatons per annum (Mtpa) by 2050, up from less than 1 Mtpa today and 5 Mtpa in 2030. This could lead to a growth in power consumption of 20 percent per year for the sector.

System hiccup throws DMO off track, delaying bond coupon payments

Business a.m.

TWO CONSECUTIVE COUPON payments on savings bonds issued by the federal government through the Debt Management Office (DMO) have been missed due to ongoing system and processing issues, according to recent reports.

This delay, which occurred over a span of two months, has raised concerns about the Debt Management Office's ability to meet its financial obligations, especially at a time when the Nigerian economy is grappling with various fiscal challenges.

According to a Bloomberg report, the federal government's two-year and three-year savings bonds, which were issued in June and raised N4.2 billion, missed a crucial coupon payment on September 12, 2024, due to ongoing system and process issues.

Patience Oniha, director-general of the Debt Management Office, acknowledged the delay, assuring stakeholders that the issues were being addressed to prevent future disruptions to the payment schedule.

"I expect an outcome today," she said in a response to Bloomberg's question on Friday.

In a concerning development, investors in various savings bonds experienced a one-week delay in receiving their August coupon payments.

When contacted for further clarification, Hannah Momodu, head of publicity at the Debt Management Office , affirmed the issue but reassured investors that the matter would be resolved by Friday (September 20). This marks the first instance of such a hold-up since the introduction of savings bonds seven years ago, raising concerns about the DMO's ability to maintain its previously seamless payment process.

Momodu explained; "Sincerely, we are experiencing major system and processing issues which have affected payments this month.

"While we have been able to process some payments to subscribers, it's unfortunately being done in batches due to the system challenges we are actively working to resolve.

"We are making every effort to have all network and processing issues fully sorted out today (Friday)."

According to the DMO's website, the two-year and three-year savings bonds with coupons due on September 12 were issued in June with interest rates of 17.4 per cent and 18.4 per cent, respectively.The debt agency sold these notes from June 3 to 7, with the intention of providing investors with a stable and secure investment option for the next two to three years.

However, the recent delay in coupon payments has raised questions about the reliability of the DMO's bond offerings, given the unprecedented challenges that have surfaced in the payment process.

As outlined in the terms of the savings bonds, coupon payments are made on a quarterly basis, with the specified dates falling on the 12th of September, December, March, and June.

Introduced in 2017, the savings bonds provided a new avenue for Nigeria to diversify its borrowing sources while also offering retail investors a chance to earn income by investing in government-backed securities.

The underlying objective of the savings bond offers is to mobilise substantial capital from investors, which can be channelled towards supporting the government's fiscal policies and financing large-scale infrastructure projects.

In this way, the savings bonds serve a dual purpose, providing both a steady income stream for investors and the means to propel Nigeria's long-term economic development through strategic government spending.

In a new development, the DMO announced its plans to issue three FGN bonds, with a cumulative value of N150 billion, on Monday (September 23).

The bonds consist of a N70 billion five-year FGN bond, as well as reopenings of two existing FGN bonds: a seven-year bond valued at N50 billion and a nine-year bond worth N30 billion.

The Debt Management Office's August FGN bond auction, which saw a total sale of N374.75 billion across three bonds, was met with considerable investor interest, particularly for the longest tenure bond.

Business a.m learnt that the DMO's sale of N190 billion in FGN bonds across three tranches in its upcoming September auction represents a reduction from the N374.75 billion auctioned in August, and marks the lowest amount offered at a DMO auction this year.

Analysts have observed that the lower auction size for September's FGN bonds may signify a potential decline in government borrowing, a trend that could indicate an attempt by policymakers to strike a balance between funding fiscal needs and debt management.

Salem Alshamsi (7th from left), United Arab Emirates (UAE) ambassador to Nigeria; Ahmed Dunoma (5th from left), permanent secretary, Ministry of Foreign Affairs; Zubaida Umar (8th from left), director general, National Emergency Management Agency (NEMA); officials of the UAE Embassy in Nigeria and other Nigerian government officials, during the donation of 50 tonnes of humanitarian relief materials from the UAE government to support internally displaced persons affected by the flood disaster in some parts of Nigeria, at the Nnamdi Azikiwe international Airport recently.

Hybrid approach for farmers-herders conflict, Jega's committee proposes

Business a.m.

THE PRESIDENTIAL LIVESTOCK REFORM COMMITTEE (PLRC) has announced that the optimal solution to the ongoing farmer-herder conflict in Nigeria lies in the implementation of a hybrid system involving both ranching and open grazing.

Speaking to State House correspondents shortly after submitting a 152-page inception report on livestock reforms in Nigeria, Attahiru Jega, co-chairman of the committee, disclosed that it has arrived at the conclusion that a hybrid solution, incorporating elements of both ranching and open grazing, is currently the only short-term way forward in resolving the farmer-herder conflict.

Jega emphasised that the committee's recommendations are intended as an interim solution while the federal government works towards its long-term goal of promoting intensive livestock production in Nigeria.

The co-chairman of the committee further clarified that the committee's focus was to facilitate the realisation of the long-term objective of intensive livestock production, which is seen as a more sustainable approach to addressing the challenges faced by farmers and herders in Nigeria.

Jega reiterated that the proposed policies and frameworks would provide for a hybrid approach, accommodating both ranching and open grazing for a specified period, while also undertaking efforts to increase public awareness of the extensive and complex nature of pastoralism in Nigeria. "You cannot wake up tomorrow and have only ranching because there is already a large portion of the population involved in traditional pastoral activities. What do you do with them? It's not a case of either/or, but any solution developed now has to be a combination of both. "We are promoting long-term objectives like intensive livestock production, but you cannot achieve this overnight.

You need to develop policies and frameworks that can accommodate both for a period of time. The objective is to have intensive livestock production, not the extensive pastoralism we currently have," Jega stated. In the 152-page inception report, the committee proposed a 10-year implementation period for the recommended policies and frameworks, aiming to bring about gradual yet significant improvements in the livestock sector in Nigeria.

Jega further acknowledged that the committee had suggested the creation of a Federal Ministry of Livestock Development, accompanied by a detailed roadmap for its establishment.

On a related note, Winnie Lai-Solarin, the National Project Coordinator for the Livestock Productivity and Resilience Support Project, presented a detailed breakdown of the estimated livestock population in Nigeria.

Africans at risk of disinformation on social media overdependence – survey

Onome Amuge

THE FINDINGS OF A RECENT SURVEY conducted by KnowBe4 across the African continent have revealed a troubling over-reliance on social media, particularly Facebook, as the primary source of news. With a clear majority of respondents turning to Facebook for their news, the survey raises serious concerns about the implications of such a heavy dependence on social platforms, given the continued rise of disinformation on these platforms and the potential for the spread of misinformation to skew public perception.

As at least 12 African nations prepare to hold elections in 2024, with multiple political campaigns already in full swing, fears about the harmful effects of misinformation and disinformation are rapidly intensifying.

According to the Africa Centre for Strategic Studies, the number of disinformation campaigns in Africa has quadrupled since 2022, with a significant portion of these campaigns backed by foreign powers such as Russia and China. This disturbing trend is seen to have contributed to increasing social instability, as these malicious actors exploit social media platforms to spread falsehoods and manipulate public opinion.

In light of these troubling developments, KnowBe4, the provider of the world's largest security awareness training and simulated phishing platform, launched a survey in June 2024 to gauge the extent and impact of political disinformation and misinformation in five African countries including Botswana, Kenya, Mauritius, Nigeria, and South Africa.

The survey, conducted across the five African countries with 500 respondents, revealed a concerning statistic, as an overwhelming 84 percent of the users surveyed preferred social media for news consumption over traditional news channels like radio, TV, and news websites.

Commenting on the survey finding, Anna Collard, senior vice president (SVP), content strategy and evangelist at KnowBe4 AFRICA, remarked, "80% of respondents are consuming news on Facebook and over 50% use TikTok. This is alarming as neither of these channels is very reliable in terms of news."

The findings of the KnowBe4 survey further revealed an unsettling level of confidence among the respondents, with 82 percent of them expressing faith in their ability to discern true and false information online. Despite this high degree of confidence, the survey found that the majority of respondents had not received formal education on how to identify disinformation and misinformation Collard observed, "While most respondents reported being able to tell the difference between real and fake news, I doubt this is the case. Other research has shown that most people overestimate their ability to detect deepfakes, and ironically, more people trust AI-generated images than actual photographs."

The survey also revealed that disinformation is becoming a significant concern for many. This is as 80 percent of respondents expressed high levels of worry about the negative impact of fake news and its potential to cause social division.

Collard, commenting on the findings of the survey, pointed out that respondents from Kenya had personally witnessed the disastrous consequences of disinformation, as it had the potential to spark tribal conflict.

Collard elaborated on the corrosive role that social media influencers and inorganic hashtags could play in fomenting political discord, citing the example of Nigeria's presidential election in 2023 where such tactics were used to stoke division and sow mistrust in the democratic process.

"Social media's rapid spread of false information and the increasing accessibility of AI tools allow for the quick and cheap creation of sophisticated disinformation campaigns," she added.

The KnowBe4 survey revealed a critical gap in education and awareness about misinformation and disinformation, with 58 percent of respondents stating that they had not received any training on identifying and dealing with fake news.

Nigeria bleeds $86bn as foreign firms dominate maritime trade, say shipowners

Business a.m.

NIGERIAN SHIPOWNERS have highlighted the financial toll of foreign dominance in the freight forwarding sector, revealing that the country loses $86 billion annually due to this situation.

They pointed to the federal government's inaction and unfavourable policies towards local operators, which have strangled the growth of the country's own shipping industry and allowed foreign-dominated shipping operations to scoop up billions of dollars in revenue that could otherwise have gone to Nigeria's own maritime sector.

Emmanuel Iheanacho, managing director of Genesis Shipping dwelled on this during the 16th Marine and Technical Summit of the Association of Marine Engineers and Surveyors, recently in Lagos.

Iheanacho noted that Nigeria's losses to foreign-dominated freight forwarding are far greater than the previously reported figure of $9.2 billion.

According to him, when the freight of petroleum products is taken into account, Nigeria's losses far exceed the initial estimates, underlining the urgent need for action to address this crippling financial drain on the country.

He said, "When you look at the carriage of our crude oil programme, Nigeria is losing more than $9.2bn. We are losing over $86bn annually to foreign vessels' dominance of our freight business," the Genesis Shipping MD stated.

L-R: Farouk Ahmed, chief executive officer, Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA); Julius Rone, managing director, UTM Floating Liquefied Natural Gas (FLNG); and Ekperikpe Ekpo, minister of petroleum resources (gas), during the presentation of licence to construct (LTC) UTM Offshore for floating LNG to Rone, at the NMDPRA headquarters in Abuja recently.

Greg Ogbeifun, chairman, Starzs Investments Company Limited, also shared his concerns at the event, stating that Nigeria's freight trade is dominated by foreign vessels due to a lack of domestic capacity and government support.

In a paper titled "What is militating against the resurgence of Nigerian global trading?" Ogbeifun pointed out that Nigeria's location along the Atlantic coastline makes it an ideal hub for marine activities, yet foreign vessels continue to dominate the freight trade due to a dearth of indigenous vessels and insufficient backing from the Nigerian government.

According to Ogbeifun, Nigeria's ever-expanding demand for shipping services is not being met by indigenous operators due to a lack of government support, thus forcing the country to become overly dependent on foreign vessels for its maritime trade.

"Conservatively, Nigeria is losing about $9.2bn to foreign vessels' dominance of her trade. We are the ones paying that money to the foreign vessel owners," he said.

Ogbeifun noted that every Nigerian who engages in the import and export of goods is paying exorbitant prices due to the country's overreliance on foreign ships.

He emphasised that Nigeria, despite generating 70 per cent of the total cargo between West and Central African regions, is not reaping the benefits of this massive trade volume as it should, due to the lack of indigenous shipping capacity.

"When you look at Apapa Port, Tincan Port, Warri Port, Onne Port, and the newly-established Lekki Port; all these ports are relevant in the carriage of Nigerian imports and export trade.

"It, however, breaks my heart that every time I look at our ports, all the quays and jetties are filled up with ships, but not one of these ships is owned by any Nigerian," he added.

Ogbeifun also spoke on the struggles of local shipping pioneers like Emmanuel Ihenacho, Isaac Jolapamo, and Temisan Omatseye, who bought ships in the past but whose businesses were killed by the system.

Expressing concern for the indigenous shipping industry, Ogbeifun, who doubles as chairman of the Benin Port Project Technical Committee, urged the government to formulate policies that would allow indigenous shipping operators to compete on a level playing field with foreign vessel owners.

Ogbeifun drew attention to the advantages that foreign vessel owners enjoy, such as zero duty and near-zero tax regimes. These favourable conditions, he argued, create an unfair advantage for foreign players, putting indigenous shipping operators at a disadvantage.

He therefore called on the government to put in place policies that would promote a more competitive environment for Nigerian shipowners.

"The enabling policies need to be implemented. How can Nigerians compete with foreign vessel owners who enjoy zero duty and a near-zero tax regime? It is time our leaders provide policies that encourage indigenous shipping in this country," Ogbeifun stated.

Ellah Lakes eyes Edo, Sapele, Warri for dominance in pork meat supply

Onome Amuge

- CEO Mordi tells visiting stockbrokers
- Targets 5000MT annual production

ELLAH LAKES PLC HAS SET its sights on producing 5000 metric tonnes of pork meat annually, positioning the company as a primary source of Pork products for the Edo, Sapele, and Warri axis.

The milestone is set to be achieved following the successful completion of phase one of the piggery project in Edo State, which is a crucial part of the company's five-year strategy to diversify its agribusiness and expand its footprint in the agricultural sector.

Chuka Mordi, managing director and chief executive officer, stated this recently when the company hosted a delegation of stockbrokers who paid a visit to the company's facilities in Iguelaba Community, Edo State.

"Ellah Lakes Plc's strategy is to be a successful diversified Agribusiness over the next 5 years, eventually going all the way along the value chain, to consumer goods. Liquidity has increased greatly throughout the year, and we are very happy with this. We are trading at a huge discount to Net Asset Value (NAV), but we are comfortable that our shareholders will see significant upside, going forward.

"As a defensive sector, our sector is probably the most resilient on the market, and we expect this to be demonstrated to the market, as we continue on our growth trajectory," Mordi stated.

The delegation of stockbrokers, led by Muyiwa Adeyemi, the managing director, Atlas Portfolio, observed major investments in palm plantation and pig farming, which they believe will contribute significantly to Ellah Lakes PLC's revenue streams. They expressed confidence in the management's decision to explore opportunities in the agricultural sector, commending their foresight and commitment to sustainable growth.

Adeyemi, speaking on behalf of the stockbroker delegation, declared that the visit has reinforced their faith in Ellah Lakes PLC's management team and their capability to deliver value to shareholders.

"We are pleased to see Ellah Lakes PLC's proactive approach to diversifying its operations and positioning itself for long-term success. The investments in the palm plantation and livestock demonstrate the company's focus on sustainable growth and its potential to enhance shareholder value," he said.

The Stockbrokers also expressed optimism that Ellah Lakes' investments would soon begin to reflect positively on its bottom line, driven by increasing demand for palm oil and livestock products.

Ellah Lakes PLC, is reputed as the first agribusiness company to be listed on the NGX. The Company's target is to build an agro-industrial park over the next five years to consolidate the company's primary production base whilst enhancing investment attraction as a multi-asset player.

With a transaction of 572 million Ordinary Shares in 3,097 deals , valued at N1.72 billion from June 24 - September 19, 2024, Ellah Lakes is the 17th most traded stock on the Nigerian Exchange (NGX).

Nigeria targets $1.5bn revenue boost from Halal economy by 2027

Business a.m.

NIGERIA IS LOOKING TO TAP into the lucrative Halal economy in an effort to boost the nation's GDP by $1.5 billion by 2027.

Vice President Kashim Shettima announced the country's intention to leverage the opportunities presented by the Halal market at the Nigeria Halal Economy Stakeholders engagement programme held in Abuja, recently.

The Halal economy, which is based on Islamic principles, offers a range of products and services that adhere to religious guidelines, and Nigeria is positioning itself as a key player in this growing industry.

With the global Halal economy already valued at $7 trillion, Nigeria is keen to claim its share of the rapidly expanding pie.

According to market data, the global Halal economy is expected to reach $7.7 trillion by 2025, presenting an enormous opportunity for the country to tap into this lucrative market.

The event, which was held under the theme "Building A Vibrant Halal Economy: Unlocking Nigeria's Potential", aimed to underscore the potential of the Halal market and encourage stakeholders to seize the opportunities presented by this expanding sector.

Amid declining revenues from oil and foreign investments, Nigeria, under the leadership of President Bola Tinubu, has been actively seeking new avenues to increase its investments and revenues, and the Halal market has emerged as a promising opportunity.

Halal, an Arabic word that means "lawful", "permit", or "permissible", encompasses a range of investments in tangible, productive assets that align with Islamic principles, rather than speculative instruments.

Dismissing any suggestions of religious motives, the Shettima clarified that Halal is purely an economic endeavor with significant potential for Nigeria.

The vice president further acknowledged the current presence of over 100 Halal-certified products in the country, reflecting a promising Halal market in Nigeria.

Emphasising the synergy between the Halal economy and President Tinubu's economic agenda, Shettima asserted that the Halal market holds vast potential for Nigeria.

Shettima indicated that Nigeria's Halal strategy would focus on penetrating high-level markets by developing a comprehensive plan that leverages the country's existing resources and strengths.

Why Rome Still Matters

What is it about ancient Rome that so resonates with modern audiences? One factor may be that the history of the Roman Empire is so multifaceted that its elements can be pulled apart, rearranged, and interpreted to fit any number of narratives or beliefs.

PROJECT SYNDICATE

SHLOMO BEN-AMI

Shlomo Ben-Ami, a former Israeli foreign minister, is Vice President of the Toledo International Center for Peace and the author of Prophets without Honor: The 2000 Camp David Summit and the End of the Two-State Solution (Oxford University Press, 2022).

TEL AVIV – LAST YEAR, a social-media trend featured women asking men how often they thought about the Roman Empire. The answer, it seemed, was "very": many men claimed that the ancient empire crossed their minds weekly or even daily.

That did not surprise Mike Duncan, the host of the popular "History of Rome" podcast, and probably not Tom Holland, who has written multiple bestselling books on the topic. Mary Beard certainly understands the popular fascination, too. Her study of ancient Rome – together with her unpretentious style and brash charisma – has made her what one observer called "a national treasure, and easily the world's most famous classicist."

So, what is it about Rome that so resonates with modern audiences? As Beard explains, the Roman Republic forms the underpinnings of Western politics and culture. Moreover, it seems that the history of Rome is so multifaceted that its elements can be pulled apart, rearranged, and interpreted to fit any number of narratives or beliefs.

Rome was a key inspiration for modern liberal democracy. The thought and actions of America's "founding fathers" were infused with Roman ideals, and the United States was presented as the new standard-bearer of republican liberty. But, in their own way, Italian Fascists – not least Mussolini – also attempted to "portray themselves as the rightful heirs of the Roman Empire."

Rome is also the story of a democratic republic becoming an autocracy when it succumbs to popular frustration, political norms are trampled, and a widespread yearning for a "strongman" leader. Donald Trump's detractors often liken him to Julius Caesar, pointing to his demagoguery, ruthless pursuit of power, and willingness to violate rules and norms. But his far- right followers often make the same comparison, seeking to portray him as some great imperial conqueror. Trump's followers also believe (erroneously) that it was immigration that brought down the Roman Empire. More broadly, far-right forces have suggested that ancient Rome laid the foundations for "white culture." This helps to explain Princeton classicist Dan-el Padilla Peralta's view that his discipline is inextricable from a white-imperialist mindset.

Beard challenges this mythology of whiteness, arguing in her 2016 book SPQR:A History of Ancient Rome that the story of the Roman Empire, which was necessarily ethnically diverse, is "the history of people of color." In fact, the book concludes with Emperor Caracalla's grant of citizenship to all the empire's subjects. The old Roman aristocracy lost its privileges, because it had not shared them.

Similarly, the story of Rome has become a playground for patriarchal dreamers. Rome may have had its heroines, but they were typically the mothers and spouses of emperors. Ultimately, Rome was a fundamentally praetorian society that prized valor, honor, and masculinity, or virtus. At the same time, consensual homosexual sex was legal, so ancient Rome can be viewed as an early source of legitimacy for gay rights.

To Israelis, Rome is something else entirely: the story of the Roman Empire evokes the experience of exile, while also highlighting the potentially catastrophic repercussions of a failure to think realistically. Consider the revolt Simon bar Kokhba led against the Roman Empire beginning in 132 CE – the final escalation of the Jewish-Roman wars – which resulted in a horrendous defeat and the obliteration of Jewish life in Judea, whose name was permanently changed by Emperor Hadrian to Palestina.

And yet, as the late Head of Israeli Military Intelligence General Yehoshafat Harkabi, wrote in his seminal The Bar Kokhba Syndrome: Risk and Realism in International Relations, Bar Kokhba's "irresponsible act of national suicide" instilled in Jews an "admiration for rebelliousness and heroism detached of responsibility for their consequences." Fortunately, David Ben-Gurion, the founder of the modern State of Israel, had a different mindset: never defy a superpower or go to war without the support of one. Alas, the Jewish messianic zealots in Palestinian lands (renamed again as Judea and Samaria) are bent on repeating Bar Kokhba's suicidal folly.

Rome is often invoked when describing American hegemony. Pax Romana – a kind of "golden age" of relative peace and prosperity, underpinned by a powerful empire – offered a model for the Pax Americana that emerged after World War II. Just as the struggle for a "common peace" among Greek city-states after the Peloponnesian War ultimately provided the ethical grounds for Rome to take control, relentless war in Europe eventually spurred the US to act as an external guarantor of security and order. Peace, it seems, is often incompatible with full political liberty.

But Pax Americana now appears to be waning – a trend that has invited much speculation about the impeding "fall" of the American "empire." The groundwork for such speculation was laid in the eighteenth century, when the likes of Edward Gibbon and Montesquieu wrote about the fate of the Roman Empire. Yet the US still has much to learn to avoid its own decline and fall.

Perhaps the most important lesson is that even hegemons require a sense of measure. Rome suffered from what Gibbon described as the "natural and inevitable effect of immoderate greatness." The US has been known similarly to lack appropriate humility, especially during its years of uncontested hegemony after the Cold War. It should take care to ensure that hubris does not become its downfall.

But, while historical comparisons can help to illuminate our understanding of the present and future, they offer no guarantees. Not even the so-called Thucydides Trap – the "inevitable" clash between an established hegemon (such as the US) and a rising power (such as China) – should be viewed as an iron law of history, if only because of the prohibitively high price of modern warfare.

This brings us to a key difference between the West today and Rome in its heyday: whereas the Romans expected the future to be a repeat of past glories, faith in progress and renewal is fundamental to the post-Enlightenment Western worldview. Armed with that faith, we can still apply history's lessons and hope to avoid our forebears' gravest mistakes.

Reforms to kiss off economic hardship and save Nigerians (2)

SUNNY CHUBA NWACHUKWU

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

THE DYNAMICS IN THE ENERGY BUSINESS (especially in Nigeria's petroleum industry) has clearly shown the indisputable fact that the nation's economy can only be critically influenced to a significant point if the economic drivers patriotically allow daily activities in the open market to determine the trend the inflation rate tows domestically. Energy production in the downstream petroleum subsector of this country should, in the right sense of it, positively correlate with the nation's gross domestic product (GDP), if the major drivers in the oil and gas sector of the economy are truly sincere about seeing this economy work. This point is adduced on the basis of the historical records the economy has followed with the significant influence the petroleum sector exert on national planning and growth over the decades. This is something that cannot just be wished away by a wave of hands considering the outcomes of what is happening today in the petroleum industry; which are to be considered appalling and shameful. Such actions and developments by our leaders are simply ascribed to the corruption in this land. If such disgraceful conducts can be taken away from those concerned, then our nation's economic hardship will definitely begin a permanent decline, for Nigerians to truly breathe.

The reference point today is the product pricing shenanigans between the Dangote group and the almighty NNPCL. Nigerians better be told the gospel truth regarding what is going on in the petroleum sector because, for close watchers of the oil and gas subsector of this sick economy, there appears to be a serious sabotage against all efforts to extricate refined products business from continued imports (from within, by the same people responsible for managing official projects and tasks on behalf of the people). It leaves one asking the question: "How can this economy survive if these reformist actions are not aggressively put in place (especially the domestic refining of crude oil and natural gas)"? The nation is in a deep mess with regards to hyperinflation on refined products' pricing, in the face of boasting and priding ourselves with the globally massive and gigantic oil refining and multifunctional Greenfield facility that is freshly completed by the Dangote group. This is a facility that can adequately and sufficiently service our domestic energy demands, yet, the entire economy is still facing an energy crisis and energy insufficiency. Is it not a big shame that the NNPCL is still engaging in massive importation of refined products (no matter whatever reason those in authority may give as a defence)?

At the moment, the biggest challenge is the sky-rocketed price of petrol in the land. This shouldn't be the case in an oil rich economy because all Nigerians, at this tipping point of harsh economic distress, should be strategically relieved of the economic hardship and the psychological trauma that follows it. Numerous human beings in the society can no longer afford a daily meal, presently. This is crazy because, it's as if the insensitive ruling class operates from another planet in governing this land, seeing the plethora of afflictions bedevilling the vulnerable masses in the land. Something very urgent and drastic needs to be aggressively applied to reset the sufferings in the land. Day by day things get worse for the poor in the streets of Nigeria, with all manners of hardship, problems of life and all manners of difficulties that prompt many to think of taking their lives through suicide. The president should hear us out, and do something to redirect this horrible and very unbearable socioeconomic trend. This must start from lowering the price of PMS rolling out from the Dangote Refinery. The hunger is too much, very excruciating! This piece is, indeed, a save our souls (SOS) plea to Mr. President. Rhetoric should be kept aside for now in addressing the country's energy challenges which are adversely hurting the economy (not a time for jokes because many Nigerians are dying).

A "sensitive and listening Tinubu" should start by inviting the organised private sector (OPS), those in the industry to join hands with the government to straighten out this comatose economy, with their capitalist mentalities and shrewd business experiences in recovering and regaining lost economic grounds by taking measures to reduce unnecessary spending, for the business to grow. Such is what is required today for this economy; where loans are still being taken to service old debts (thus weakening and weighing down the naira the more), instead of being utilised for capital/infrastructure expenditure that can improve GDP. The ruling class should apply restraint by cutting down on frivolous spending for now, to aid the economy improve from the current heavy administrative/personnel costs and overheads. Argentina went through a worse economic experience and survived by taking the right measures with reforms that kissed off the bad economy. Why can't Nigeria today?

THE TEAM

EXECUTIVE EDITOR
Phillip Isakpa
Tel.: 234 809 400 0025
phillipi@businessamlive.com

NEWS COORDINATOR
Onome Amuge
Tel: 234 706 930 4947
onome@businessamlive.com

JOURNALISTS
Cynthia Ezekwe
cynthia@businessamlive.com

Joy Agwunobi
joy@businessamlive.com

GRAPHICS
Christopher Ikosa

IMAGE EDITOR
Pius Okeosisi
Tel.: 234 802 904 0531
photo@businessamlive.com

Businessnewscorp Limited

Phillip Isakpa
Adedotun Akande

Tiamiyu Adio
Isaac Jayeola

OFFICE ADDRESS:
10B Stella Osholanke Street, Off Internationnal Airport Road, Ajao Estate, Isolo Lagos.
Tel.: +234 (0)803 5555 568
Email: info@businessamlive.com
Website: www.businessamlive.com

Precision in diagnosis – Safeguarding patient health

The Coaching Psychologist

JOSHUA AWESOME, PHD

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

An Incident Is Just A Tip Of The Iceberg, A Sign Of A Much Larger Problem Below The Iceberg - Don Brown

IN HEALTHCARE, PRECISION in diagnosis can mean the difference between life and death. The World Health Organisation (WHO) underscores this in its 2024 World Patient Safety Day theme: "Improving Diagnosis for Patient Safety," urging healthcare professionals to "Get it right, make it safe." Accurate diagnosis is the foundation of patient care, yet diagnostic errors continue to be a major threat to patient safety globally.

Diagnostic errors — whether delayed, missed, or incorrect — pose significant risks to health outcomes. According to WHO, these errors are often caused by a combination of systemic failures and cognitive factors that go unnoticed until they cause harm. Medical errors, particularly in diagnosis, have now emerged as a public health crisis, ranked as the third leading cause of death in the U.S. alone. It's estimated that preventable harm affects about 400,000 hospitalised patients every year, and diagnostic errors lead to over 200,000 deaths annually. Beyond the human cost, the financial burden is staggering, with adverse events costing healthcare systems up to $45 billion annually.

Given these high stakes, healthcare providers and leaders must focus on improving diagnostics to ensure patient safety. By analysing current challenges and implementing actionable strategies, healthcare systems can better support professionals and reduce errors.

The weight of diagnostic errors

Diagnosis is a complex process. While patients often view their doctors as infallible, healthcare professionals know that the responsibility of getting the diagnosis right is enormous. Diagnostic errors are frequently the result of systemic issues like communication breakdowns, overwhelming workloads, and lack of teamwork. On a personal level, factors such as fatigue, stress, and cognitive biases can cloud a clinician's judgment.

The impact of these errors is far-reaching. Patients suffer physically and emotionally, while healthcare professionals may endure guilt, depression, and even suicidal thoughts. The ripple effects of medical errors extend beyond individual patients, affecting families, communities, and entire healthcare systems.

Actionable advice

Fostering transparency

To improve diagnostic accuracy, healthcare systems must create a culture of transparency. Clinicians need to feel safe admitting mistakes without fear of punishment. Encouraging open discussions about errors and near-misses helps professionals learn from each other's experiences, reducing the risk of future errors. This approach also helps relieve the emotional burden on healthcare workers. Institutions should provide mental health resources and peer support programmes to help clinicians manage stress and avoid burnout.

Systemic issues burdening healthcare providers

Systemic challenges like understaffing, inadequate training, and high patient volumes increase the likelihood of diagnostic errors. Clinicians often have little time to reflect on complex cases, which widens the margin for error. However, diagnostic errors are not solely the fault of individual providers. Often, the healthcare system itself — characterized by fragmented communication, outdated technology, and inefficient workflows — also plays a role.

Actionable advice

Enhancing interdisciplinary collaboration

Healthcare leaders can address systemic issues by fostering better interdisciplinary collaboration. Improving communication between healthcare workers is essential for reducing diagnostic errors. Team-based care models allow physicians, nurses, and other professionals to work together more effectively, ensuring no aspect of patient care falls through the cracks. Investing in better technology, such as improved electronic health records (EHRs), is also critical for sharing accurate and timely patient information.

Cognitive bias in diagnosis

Cognitive biases can significantly affect diagnosis. Clinicians, like their patients, are human and susceptible to mental shortcuts, especially under pressure. Anchoring bias, where a clinician becomes fixated on an initial diagnosis, and confirmation bias, where only information that supports that diagnosis is considered, are common issues that can lead to errors.

Actionable advice

Cognitive bias training

Healthcare institutions must offer training to help clinicians recognise and avoid cognitive biases. By teaching providers to be aware of these mental traps, diagnostic accuracy can be improved. Cognitive bias training should be an ongoing part of professional development, ensuring that clinicians remain alert to how their thought processes can impact patient care.

The emotional toll of medical errors

Medical professionals are trained to save lives, and when errors occur, the emotional toll can be overwhelming. Guilt, self-doubt, and burnout are common reactions, and these emotions can impair a provider's ability to perform effectively. The fear of litigation or punishment often makes clinicians reluctant to admit mistakes, even when doing so could prevent future errors.

Actionable advice

Supporting clinician mental health

Healthcare systems must prioritise mental health support for providers. Establishing peer support groups, offering counselling, and creating an environment where discussions about mental health are normalised can help clinicians cope with the emotional challenges of their jobs. When providers feel supported, both their wellbeing and patient outcomes improve.

A path forward for patient safety

As the healthcare field continues to evolve, addressing diagnostic errors will be crucial for improving patient safety. By fostering a culture of transparency, promoting interdisciplinary collaboration, training clinicians on cognitive biases, and supporting their mental health, healthcare systems can reduce diagnostic errors and save lives.

Patient safety depends on the collective efforts of healthcare professionals, leaders, and policymakers. By "getting it right" and making it safe, we can ensure a healthier future for all.

Business, Governance & Enterprise

OLUFEMI ADEDAMOLA OYEDELE

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

On motivation theory and achieving excellence in projects

THERE ARE TWO GROUPS OF employees or project team members based on their attitudes towards achieving organisational or team goals. There is a group of employees who are interested in the success of the organisation as a 'going concern.' These are the 'positive' employees. Positive employees are committed to their organisations and have the interest of the organisation at heart. They see the growth of the organisation and positive development in the organisation as a personal growth and believe that stagnancy or death of the organisation will affect them. Positive employees have long-term plans for their organisation and cherish promotion, 'welfare package' more than awards and rewards. Most start-ups that grew to become unicorns are lucky to have committed and longstanding employees. These employees are aware of the organisation culture, goals and knowledgeable enough in the industry to pass through the storm.

There is another group of employees who are only working in the organisation to achieve their personal goals. They are 'nomadic' in nature and do not have long term plans concerning the organisation. They are negative employees who are ready to change work because of higher salaries. Negative employees are not committed to the growth of the organisation and are only interested in the organisation as far as it can pay their salaries and wages. They are more interested in rewards, awards, salaries and wages increment than retained earnings, organisation turnover, company welfare package, profit and organisation overall growth. Some of the organisations with short lives are those that are unfortunate to have negative employees. These groups cut across both senior and junior members of staff, all departments of the organisation and it does organisations' managers good to identify these two groups as early as possible. Leadership experience shows that the best way to spur 'positive' employees to their highest performance level is to state what they are to do (set goal/s), give them the tools to do it and say what they will get as compensation for achieving their goal/s. Employees who are fully aware of their roles and who have freedom to perform their tasks achieve more than employees who are driven to navigate the process of achieving tasks. Over time, it has been discovered that extraordinary achievers are those who chose what they enjoy doing most as a career. Organisations who value employees' innovativeness, intuition and freedom to work on their own are achieving better results. After the COVID-19 pandemic, more and more organisations have decided to allow their employees who are not 'group-workers' to work from home.

Taking the lead, some well-respected technology CEOs started making the harsh decisions of allowing their workers to work from home. Since the 'work-from-home' trend started, it has not cooled off. Jack Dorsey, the dual CEO of both Twitter and Square, informed his employees at both companies that they can continue working from home "forever." Cool Group of Companies, Coalition Technologies, Tutorme, LinkedIn, Cisco System, SAP and Intuit are among the many organisations that have realised 'well-motivated' workers can achieve from home. Mark Zuckerberg, CEO of Facebook, followed with the trend by announcing that his employees may also work from home. People are working from home because they are aware of what to do and how to do it without close supervision and monitoring from senior managers.

Austen Allred, CEO of Lambda School, an online classroom that uses interactive technology to teach people the tech skills they need to launch a new career, said that the school has rolled out a permanent "work from anywhere" policy. Allred tweeted that employees are free to work from home, from an office or from anywhere within the United States. What really matters in the life of work is not where one is working from but the result that one is achieving from working 'collectively' or 'privately.' A well informed and fully kitted worker who is given freedom to work at his own pace will achieve more than a strictly supervised worker who has no room to laugh and relax within work hours. Most organisations are now giving realistic and achievable targets to their workers and careless on how and where they achieve these targets. Fame Oyster & Co Nigeria is a real estate brokerage firm in Nigeria that teaches its remote brokers how to achieve their goals and allow them to work from anywhere. These brokers are on monthly stipends and depend more on commission on sales. Seventy to eighty percent of them achieve their targets because they are armed with the essentials of achieving!

At its core, Microsoft's strength lies in its talented people and a culture grounded in a growth mindset. "This means anyone can change, learn, and grow". Microsoft believes potential can be nurtured and is not predetermined, and that employees should always be learning and curious - trying new things without fear of failure. It identified four attributes that allow a growth mindset to flourish. Obsessing over what matters to its customers, becoming more diverse and inclusive in everything it does, operating as one company instead of multiple siloed businesses and lastly, making a difference in the lives of each other, our customers and the world around us. Employees are well tutored about the culture and goals of the business, and are allowed to contribute their quota as a talented and valued individual.

Organisations like Apple and Levi's posited that there is power in having office hubs where in-person communities, mentorship, networking, and creativity can happen, but the power of employees contributing voluntarily to the development of an organisation without coercion or superior influence is greater. This is why the future of rapidly growing organisations is a hybrid one. The theory of motivation to achieve excellence in projects is that all employees must be aware of what they are employed for, they must be provided adequate tools to do their work, and irrespective of where they work from and how they work (whether remotely or in a physical office), they must be given freedom to innovate.

business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businesslive.com

PROJECT SYNDICATE

RAZAN KHALIFA AL MUBARAK

BOGOLO KENEWENDO

Razan Khalifa Al Mubarak is UN Climate Change High-Level Champion for COP28 and President of the International Union for Conservation of Nature. Bogolo Kenewendo is Special Adviser for the UN Climate Change High-Level Champions for COP27-29 and a former minister of investment, trade, and industry of Botswana.

Financing Nature

GABORONE – From the Drakensberg mountain range in the west to the Indian Ocean in the east, KwaZulu-Natal province is one of South Africa's most biodiverse provinces. For the last 30 years, however, deteriorating river water quality and increasingly frequent flooding has been costing its cities, businesses, and citizens dearly. But there is hope for KwaZulu-Natal – and for other environmentally distressed regions.

One city in KwaZulu-Natal, eThekwini, showed what an effective response looks like, implementing a comprehensive program for restoring and protecting its rivers using nature-based solutions. Beyond collecting over 100 tons of waste and clearing 98 hectares of invasive species, the initiative has created more than 1,000 jobs since its launch in 2022.

The eThekwini municipality succeeded because it put nature at the center of its climate-action plan. But such success stories remain few and far between. Nature-based investments, including sustainable agriculture, are already proving profitable and scalable, and they have the potential to create 395 million jobs by 2030. Yet, globally, nature-based solutions receive only 15% as much investment as traditional climate solutions, such as clean energy and low-carbon transport. Even harmful subsidies receive 3-4 times more financing than nature-based investment.

As a result, we face a catastrophic and irreversible breakdown of our planet's ecosystems, a point stressed at last year's United Nations Climate Change Conference (COP28) in Dubai. To avoid this outcome, progress is needed in a few key areas.

For starters, public and private economic actors must embed nature in their decision-making. Fortunately, a number of tools and enabling frameworks are now available to help businesses and investors identify nature-positive solutions, such as the Kunming-Montreal Global Biodiversity Framework, the Taskforce on Nature-Related Financial Disclosures, the Science Based Targets Network, the Finance Sector Deforestation Action initiative, and the Nature Action 100 initiative.

Central banks and financial regulators can encourage businesses to contribute to nature conservation and restoration by providing nature-related financial risk assessments. Zambia's central bank, for example, recently integrated biodiversity into its green loan guidelines, so that more financing will be directed toward activities that promote biodiversity conservation and restoration. The framework complements the green bond guidelines that were previously developed by the country's Securities and Exchange Commission.

Governments should also better coordinate nature-positive initiatives – and climate action more broadly – across ministries and countries, in order to avoid competing agendas. One model, implemented in Rwanda, focuses on measuring and valuing nature. By collecting data on how natural resources are contributing to the economy, the Natural Capital Accounts for Ecosystems ensures that this information is reflected in economic policy and development planning across ministries.

As for international coordination, fora like COPs can help drive progress. At COP26, more than 140 world leaders committed to "halt and reverse forest loss and land degradation by 2030," while supporting the livelihoods of those who depend on forests and delivering sustainable development. At COP27 and COP28, they demonstrated their ongoing commitment to deliver on this goal, with countries like the Democratic Republic of the Congo and Ghana announcing innovative investment partnerships.

A third imperative is to strengthen the pipeline – and appeal – of nature-positive projects. Since such projects often carry high up-front costs or involve long payback periods, few meet investors' criteria. It does not help that financial institutions and capital markets tend to view nature-related investments as having an unfavorable risk-return profile.

Concerted action is needed to support project development, such as through regenerative value chains and high-integrity carbon and biodiversity markets. This would facilitate the aggregation of projects, so that they reach sufficient scale to offer attractive returns to investors.

At the same time, efforts must be made to reduce the cost of capital, such as by improving risk sharing and mitigation. Multilateral development banks must play a key role here, not only by reducing and pooling risk, but also by providing transition signals to the wider system, in order to mobilize private capital. More broadly, the quality and quantity of development finance must be improved, with more funding directed to nature-rich emerging markets and developing economies (EMDEs).

For some countries – those currently facing triple climate, biodiversity, and debt crises – sovereign-debt solutions will be needed. The 61 EMDEs that are particularly vulnerable to debt distress today will need $812 billion in debt restructured across all creditor classes. Debt relief would free up funding, while robust new climate-finance targets would ensure that these resources are directed toward nature-positive initiatives.

The final step is to ensure that climate- and nature-related investments, initiatives, and policies are just and inclusive. Currently, only 25% of pledged finance reaches projects on the ground. In Asia and Sub-Saharan Africa, smallholder farmers, responsible for 80% of food production, spend as much as $368 billion annually on increasing their resilience to climate change.

Meanwhile, less than 1% of total climate finance goes to the indigenous peoples and local community groups that are the stewards of one-quarter of the planet's land, representing a carbon-sequestration capacity of 300 billion tons. Giving these groups direct access to finance and respecting their land rights is not only a moral imperative, but also essential to preserve the nature on which we all depend.

In terms of political momentum, financial innovation, and technological capabilities, the stage is set for rapid progress in restoring and preserving nature. World leaders must seize this moment to build a transformative investment agenda that recognizes that, without nature, our planet, let alone our economies, cannot survive. As Kenyan President William Ruto once noted, "When we put nature on our balance sheets, you'll know Africa is wealthy."

business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businesslive.com

Economics Commentary

Fuel pricing, inflation and Nigeria's economic stagnation

MARCEL OKEKE

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

A FEW DAYS AGO, WHEN the National Bureau of Statistics (NBS) released the inflation figures for August 2024, the Nigerian National Petroleum Company Limited (NNPCL) also issued a new fuel pricing template. Curiously, while the NBS data showed marginal drop of inflation rate (year-on-year) from 33.40 percent in July to 32.15 percent in August, the NNPCL's new pricing template for fuel (Premium Motoring Spirit, PMS) showed a hike from N600 per litre early September to as high as N950 to N1,020 per litre (in various locations), effective, immediately.

Without a doubt, it was the quantum jump in the prices of PMS last year, sequel to the "fuel subsidy removal" that largely drove the steady rise in inflation rate in the last one year. Indeed, the jump in petrol pump price, from below N200 per litre in May 2023 to N600-N700 per litre by June 2023, drove the prices of practically all goods and services sky-high in the country — culminating in runaway inflationary trend. Notably, from a level of 22.8 percent in June 2023, inflation rate peaked at 34.20 percent in June this year, before the marginal drops in July and August. And this trend has wrecked the economy all along.

The fuel subsidy removal by the President Bola Ahmed Tinubu-led administration on May 29, 2023, immediately translated to spike in PMS prices, in transportation costs, in food prices, etc. All these, coupled with the havoc on the polity engendered by the failed naira floatation policy, pulled the economy further into the woods. The crash of the naira in the foreign exchange (FX) market, vis-à-vis the dollar and other hard currencies, caused a drain on the nation's resources, as PMS importation continued unabated.

Now, the continued rise in the 'landing cost' of PMS because of continued importation and weakening exchange rate of the naira, provides a ready-made excuse for the NNPCL to keep raising fuel pump prices ad infinitum. Yet the correlation between the rising pump price of PMS and the spiralling rate of inflation is not only high but also obvious. and also disruptive to many economic activities.

In fact, since the end-May 2023 to date, the apex bank — the Central Bank of Nigeria (CBN) — has been battling to rein in the runaway inflation rate. Its Monetary Policy Rate (MPR) has been targeted at curtailing the rampaging inflation. Thus, from a level of 18 percent in May 2023, the CBN has had to lift the MPR to 26.75 by May 2024 — all in the belief that the instrument could help in curbing the rising inflation. Other monetary policy instruments have been similarly adjusted to 'fight' the soaring inflation rate, to no avail.

The upshot of all these however has been the 'unintended' pricing of credit beyond the reach of most genuine businesses in the country, especially the Small and Medium-scale Enterprises (SMEs). On a foundation of already high cost of operation due to high inflation (resulting from high PMS prices), hike in MPR by the apex bank practically got most SMEs asphyxiated. Many have had to scale down operational capacity; and not a few others opted to close shop.

The same high PMS-price-induced inflation has in the past one year impoverished many Nigerians, reducing their purchasing power to the lowest ebb. This reality has necessitated protests by civil and public servants in various towns and cities across the country. One of the multiplier effects of this has been the long-drawn ding-dong between the organised labour and the federal government with respect to a new minimum wage.

The tension-soaked new minimum wage negotiations and tactics adopted by the government on one hand and the organised labour and civil society organisations (CSO) on the other, almost crippled the economy. Alongside this crippling high inflationary pressure has been the government's resort to the provision of palliatives to assuage the lingering pains of poverty and despair among the citizenry. Indeed, in the absence of any visible economic development roadmap of the federal government, Nigerians have been left at the mercy of 'government by palliatives' — waiting for crumbs from within and outside the country.

At the federal and sub-national levels, the government of the day has come to be known more for the dispensation of palliatives than the effectuation of any economic plan for sustainable economic progress. But all that has been in place only amounted to "giving the people fish to eat, rather than teaching them how to fish." Thus, rather than the economy getting more productive, people are being made to live on crumbs.

As the high inflationary trend persists, with its implied erosion of the purchasing power of the people, not a few state governments have had to reduce the number of days per week that their civil servants have to physically report for work in their offices. And truly, most of the civil servants could no longer afford the high cost of transportation engendered by high prices of PMS; hence, the reduction of week days as part of the palliatives packages.

This obviously redounds to waste of manpower and avoidable drop in productivity — which translates to retardation of the rate of national economic growth. No doubt, Nigeria has been able to achieve only a weak gross domestic product (GDP) growth of only about three percent each quarter in the past one year. And with the inflation-driving power latent in high PMS prices, the new NNPCL's fuel pricing template has the capacity to further spike rather than calm the roaring inflation tempo.

The new PMS pricing template surely portends further soar-away inflation; further crashing of the purchasing power of Nigerians, especially for the low-income families. Almost already at the bottom of the economic abyss courtesy of the lingering high inflation, most Nigerians would keep lowering their standard and cost of living as PMS prices keep soaring. Meaning that many more would be pushed below the poverty line!

By implication, as inflation runs rampant, consumers would more likely spend their money only on products and services that they absolutely need, and hold back on what they don't. This implies that some more businesses are still likely to shut down, further exacerbating the stress on the already battered economy.

Recall that a few weeks ago, an agency of the federal government, the Federal Competition and Consumer Protection Commission (FCCPC), almost at its wits end, dabbled into price control to 'deal' with the 'rampaging inflation.' The FCCPC in what looked like a fiat, gave businesses a month ultimatum to crash prices of their products or face some sanctions. This move, although intended to fight inflation, elicited wide criticisms and ire of Nigerians of all social strata, who in unison, condemned such an order. Rather, the government was advised to address the country's economic challenges in a more realistic manner.

In the circumstances at present, the NNPCL should reconsider, and withdraw its latest PMS pricing template, to save the Nigerian economy from more ravaging effects of high inflation. Rather than continuing to dictate fuel prices, the NNPCL should allow market forces to play that role — more so in the so-called liberalised mid- and downstream oil sector. It's not yet late for the agency to recant or revoke the PMS pricing template. Doing otherwise is highly ominous for the economy.

● business a.m. commits to publishing a diversity of views, opinions and comments. It, therefore, welcomes your reaction to this and any of our articles via email: comment@businesamlive.com

---

ARNAUD BOURAIMA

Arnaud Bouraima who is deputy chief commercial officer, Webb Fontaine Group, has a strong background in trade facilitation and supply chain security. He has successfully managed numerous PCS and Port Operating System implementation projects in Africa, Asia and the Caribbean. He is responsible for overseeing all commercial and business development efforts for the African region and contributes to the implementation of Webb Fontaine's solutions in the region. He holds an engineering degree from PolyTech Tours (France)

Africa's trade transformation: The power of technology for sustainability

Digitising processes to create efficiencies, using new technologies such as artificial intelligence (AI), reduces the time spent on clearance of goods, for both customs brokers and administrators

IN THE FACE OF MOUNTING global environmental challenges such as climate change, biodiversity loss, and pollution, and increasing focus on environmental, social and governance (ESG) awareness, sustainable trade practices and supply chains have the potential to radically transform Africa's economic future.

From green logistics to fair trade and circular economy principles, sustainable trade practices have a significant positive impact on global and local trade. In addition to environmental benefits, they enhance market competitiveness and open access to new markets that value a commitment to sustainability.

However, the transition to eco-friendly and sustainable supply chains is reliant on several factors, not least a significant investment in the infrastructure and technology needed to streamline port and customs operations and ensure a smooth entry of goods into the country in question. An understanding of the importance of digital transformation by governments and regulatory bodies is also a key factor in adopting digital solutions over more traditional manual systems.

African countries that understand and embrace these requirements are well on their way to laying the groundwork for sustainable trade practices.

As an example, the port of Cotonou in the West African country of Benin handles an average of 80 to 90 merchant vessels monthly. According to the African Development Bank, Cotonou deals with 90 percent of the country's international trade, serving up to 100 million consumers. In 2022, the port handled 12.5 million tonnes of goods, a figure that is predicted to almost double by 2038, reaching 23 million tonnes.

In a gesture of confidence, the recent extension of an €80 million loan by the African Development Bank for significant infrastructure upgrades will expand the port's operations even further. Yet despite the vast and complicated operations of one of Africa's busiest ports, Benin has jumped to 66th place on the World Bank's Logistics Performance Index (https://LPI.WorldBank.org/), an astonishing leap of approximately 100 places in just under a decade, positioning the country as West Africa's key trade hub.

But this wasn't always the case. High shipping costs, low efficiency, and poor logistical facilities threatened to stifle any hopes the port had of becoming a key trade route, despite the fact that the country is a crucial transit route for West Africa, connecting millions of people in the landlocked countries of Niger, Mali, Burkina Faso, Chad, and the northern regions of Nigeria.

Technology is revolutionising trade practices

The solution? Leveraging technology to break through the complexities, inefficiencies, and obstacles impeding effective trade, and transform Benin into an economically competitive trade hub.

This is a story that replicates itself in trade ports along Africa's entire coastline. Operators and customs entities are constantly looking for ways in which to alleviate the backlogs and delays caused by the high volumes flowing through these trade entry points, and digitisation, along with improved physical infrastructure, is proving to be an extremely effective solution. Partnerships and collaborations with specialist service providers hold the key to success.

The Webb Fontaine and Benin story

Backtracking from the current situation, and highlighting the importance of long-term public-private collaborations in modernising and streamlining trade landscapes, Webb Fontaine started working with Benin's Ministry of Finance and Benin Control in 2017. Implementing a suite of innovative solutions including Webb Single Window, Webb Transit Tracking, Webb Valuation, Webb Ports, and Webb Customs, we are proud to be playing a pivotal role in transforming trade in the country.

Webb Single Window has been a game changer. It forms the basis of GUCE Benin, a digital platform with over 6,500 users in the logistics chain that facilitates import, export, and transit operations, and incorporates electronic payment via Paylican, Webb Fontaine's official payments partner. Webb Single Window has also automated the processing of key administrative operations like issuing licences and authorisations, overseeing currency exchange operations, managing exemptions, and communicating with tax services.

In practical terms, this means streamlining the process needed to get containers out of the port. Digitising processes to create efficiencies, using new technologies such as artificial intelligence (AI), reduces the time spent on clearance of goods, for both customs brokers and administrators. Benin now ranks as West Africa's top port and holds the third-highest rating in Africa behind Egypt and South Africa. Release times have been reduced by 30%, with a remarkable 50% of containers being released within only two days.

Along with operational efficiency at the ports themselves, economic growth is a key benefit. From digital skills development to higher revenues as a result of streamlined operations, technology is playing a crucial role. For example, reducing the clearance time from 47 days to only a few days allows for more cycles of importation, increasing tax revenue and creating a healthy economic cycle. This also attracts foreign direct investment, making the port more

Continues on page 11

PS PROJECT SYNDICATE - BUSINESS A.M. PARTNERSHIP

PROJECT SYNDICATE

The World Needs Bigger and Better Financial Firefighters

MARINA ZUCKER-MARQUES

KEVIN P. GALLAGHER

Marina Zucker-Marques, a senior academic researcher at the Boston University Global Development Policy Center, is co-chair of the financial rules and regulations topic of T20 Brazil Task Force 3 on Reforming the International Financial Architecture. Kevin P. Gallagher is Professor of Global Development Policy at Boston University and Director of the Boston University Global Development Policy Center.

BOSTON – It is now conventional wisdom that global capital flows to the developing world are pro-cyclical, increasing when advanced economies ease monetary policy and retreating when their interest rates rise. A case in point is the growing number of developing countries experiencing liquidity and solvency crises in the wake of the recent tightening cycle, which began in 2022. According to the United Nations, 25 governments now spend more than one-fifth of their revenue on debt service – the highest number since the mammoth debt crisis of the 1980s and 1990s. Interest payments now exceed spending on education or health in countries where 3.3 billion people live.

The Bretton Woods institutions were established 80 years ago precisely to support developing countries with counter-cyclical public financing when the private sector cuts back on investment. The International Monetary Fund was intended to help with short-term liquidity, while the World Bank was supposed to focus on funding long-term growth and facilitating structural change to prevent liquidity crunches.

These institutions still exist, of course, but they are out of step with global economic realities. The world's financial firefighters – the IMF, the World Bank, and other multilateral development banks (MDBs) – are trying to extinguish conflagrations in developing countries with buckets rather than hoses.

To ensure adequate liquidity for emerging market and developing economies (EMDEs), the international financial architecture must be transformed to make the IMF, the World Bank, and other multilateral institutions larger, more equitable, and less focused on austerity. There should be coordinated regulations to direct private capital toward productive growth and structural change in EMDEs during booms, and incentives to keep capital in these countries during busts.

Net transfers to EMDEs, excluding China, turned negative in 2022, meaning that debt-servicing costs exceeded new disbursements. As Chart 1 shows, this gap was particularly noticeable with regard to commercial banks and bondholders, reaching $193 billion in 2023. While the IMF and MDBs could offset private-sector withdrawals, nonconcessional finance was negative, at -$2.7 billion, and concessional funding was positive but insufficient, reaching only $20 billion in 2023.

Even though IMF programs have increased in size by a factor of four since the 2008 global financial crisis, the adequacy of Fund resources remains below historical levels. The recent 16th General Review of Quotas, which concluded in December 2023, resulted in no net increase in the IMF's lending capacity.

While advanced economies have access to a network of unlimited currency swaps, most EMDEs can turn only to the IMF for liquidity support. This worsens the inequality of the global financial safety net, the source of emergency finance comprising the IMF, regional financing arrangements, and central-bank swaps. To compensate such global inequality, the IMF – the only global institution in the GFSN – would need to increase lending capacity from roughly $500 billion to $1 trillion.

As for MDBs, Chart 2 shows that they currently provide loans equivalent to just 0.5% of developing countries' gross national income, down from a peak of 0.7% in the 1990s. According to recent estimates by the G20's Independent Expert Group, MDBs must triple their financing by 2030 to achieve shared climate and development goals.

Moreover, IMF programs often impose stringent conditions on countries, forcing them to embrace austerity measures. The myth of the "confidence fairy" – the belief that austerity will restore market confidence and boost economic growth – refuses to die, despite many studies showing that IMF loan conditions increase poverty, inequality, and social unrest, rather than improving economic stability. World Bank financing has likewise been found not to promote growth.

The recent social upheaval in Kenya is a prime example. Despite hopes that IMF and World Bank loans would encourage private-sector refinancing, new bond issuances carried an exorbitant interest rate of 10.375%, exacerbating debt vulnerabilities. The Kenyan government's recently proposed finance bill, which contained tax increases to meet IMF revenue targets, sparked protests that ultimately led to at least 39 deaths.

Financially distressed developing countries need a growth-focused approach that stabilizes the economy without cutting essential public spending. Homi Kharas and Charlotte Rivard of the Brookings Institution found that stimulus packages would lead to higher growth and shift EMDEs away from the structural patterns that trigger liquidity crises. After all, that is how advanced economies deal with shocks. The United States' fiscal response to the COVID-19 pandemic, for example, totaled more than 25% of GDP, even with a debt-to-GDP ratio exceeding 120%. By contrast, Sub-Saharan Africa, with a debt-to-GDP ratio of 58%, could afford a pandemic response that was only 3% of GDP and is now struggling with repayment obligations.

The global financial system must allow EMDEs to implement counter-cyclical policies without austerity, or else the current crisis could very well end in massive debt relief, outright default, or widespread social unrest. Advanced economies must capitalize MDBs and help increase their efficiency, replenish concessional funds like the International Development Association, and increase financing for the IMF. The Fund, for its part, should overhaul its use of conditionality and issue a new round of Special Drawing Rights, its reserve asset.

The health of the world economy, and the livelihoods of billions of people, depend on bigger and better financial firefighters. If their capacity remains constrained, the legitimacy of the Bretton Woods institutions will weaken, and progress on global challenges such as climate change will remain elusive.

VISIONARY VOICES

Helping Women Adapt to Extreme Heat Helps Us All

JESS AYERS

HELEN MOUNTFORD

Jess Ayers is CEO of Quadrature Climate Foundation. Helen Mountford is President and CEO of ClimateWorks Foundation.

LONDON/SAN FRANCISCO – Climate shocks – from heat waves to droughts, floods to wildfires – often hit women the hardest. New research published this May in The Lancet found that even in wealthy European countries, women died at nearly twice the rate as men from extreme heat over the last two decades. According to Marcos Quijal, one of the report's authors, the findings "reflect a global trend."

In July, as heat records accumulated, causing even more deaths and economic damage, United Nations Secretary-General António Guterres called for international action to address what he described as our "global boiling." But protecting vulnerable communities from extreme heat requires deep commitment and significant funding, both of which seem to be in short supply.

The flow of climate finance has traditionally been skewed toward emissions-reduction efforts and clean-energy projects, because adaptation measures are viewed as being too location-specific and hard to scale, as well as generating low returns. The UN Environment Programme's 2023 Adaptation Gap Report found that climate-finance flows in 2021 amounted to only about one-tenth of the estimated $215-387 billion per year that developing countries need to meet their adaptation needs.

Philanthropic foundations, however, are catalyzing investment by showing that adaptation is more scalable than previously thought. This summer, Climate Resilience for All, a global NGO focused on helping climate-vulnerable women build resilience, partnered with the Self-Employed Women's Association (SEWA), a trade union for informal workers in India, and local insurance companies Swiss Re and ICICI Lombard. These public- and private-sector groups teamed up with philanthropies to buy low-cost heat-wave insurance for 50,000 members across 22 districts. As temperatures soared above 46° Celsius, every woman received a pay-out, averaging $12.38 per person.

For women with strenuous and precarious jobs, the money was crucial for weathering the extreme heat. It helped them feed their families and pay their children's school fees when they couldn't work, restock their shelves as perishables spoiled faster, and pay for treatment of heat-related injuries and illness. Such an intervention may seem trivial, but it is enough to protect vulnerable individuals from being driven into poverty by climate shocks.

"I enrolled 350 members. When they got 400 [just under $5], they said it was like 4000, as it came at a critical time of life. Some women repaid debts, others paid for their children's education and bought fresh goods," reported Sarojben, a grassroots leader of SEWA, adding, "It brings dignity to us."

This pioneering insurance scheme is adaptation at its best: directly reaching those most in need when they need support the most. Moreover, the program is scalable and delivers significant social and economic benefits, enabling women to move up the development ladder and put themselves and their families on firmer financial footing.

Globally, women – including the leaders of SEWA, Climate Resilience for All, and many other organizations – have some of the best ideas for minimizing the effects of climate change, often based on their practical experience. Moreover, many of these solutions can be deployed at scale. But helping millions more women protect their livelihoods and their health in the face of unrelenting heat requires more funding.

Philanthropy is a start. As leaders of two of the world's largest climate foundations, we are keenly aware of the important role it plays in encouraging effective solutions to the climate crisis. Unlike other investors, philanthropies can pursue and test innovative initiatives such as heat insurance and solar-reflective cool roofs. And this type of work is expanding: At the UN Climate Change Conference in Dubai, we came together with other philanthropies to launch the Adaptation and Resilience Funder Collaborative. In July, in response to Guterres's call to action, this group of climate-, development-, and health-focused foundations committed an initial investment of $50 million to support adaptation measures.

But such an investment, while important, is a drop in the ocean compared to the adaptation-finance gap. All stakeholders, including governments, the private sector, civil-society organizations, and local communities, have a role to play in reducing the risks of extreme heat, protecting human health, and offering economic opportunities for everyone.

Building resilience to extreme heat is no easy feat, especially for the more than 500 million women in the informal economy. Innovative solutions such as heat insurance do exist, but philanthropies, governments, and private investors must work together to scale them up faster to counter the effects of rapidly rising temperatures. The payoff will be worth it, because boosting women's climate resilience benefits us all.

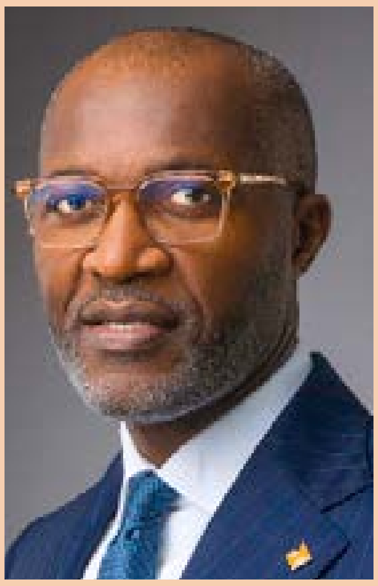
Globally, women – including the leaders of SEWA, Climate Resilience for All, and many other organizations – have some of the best ideas for minimizing the effects of climate change, often based on their practical experience. Moreover, many of these solutions can be deployed at scale. But helping millions more women protect their livelihoods and their health in the face of unrelenting heat requires more funding

Access Bank's contributions in Africa's transition to a low carbon economy

AFRICA IS FACING A GROWING challenge of managing its waste and natural resources in a sustainable way. The current traditional linear economic model, characterised by a "take, make, dispose" pattern that is extracting, consuming, and disposing of materials, is inefficient, wasteful, and harmful to the environment and human health. According to the World Bank, Africa generated 174 million tonnes of waste in 2016, and this is expected to increase to 516 million tonnes by 2050. Only four percent of this waste is recycled, compared to 44 percent in Europe and 35 percent in China. A circular economy, which aims to keep materials in use for as long as possible and minimise waste and pollution, could offer a viable alternative that would enhance Africa's social, economic, and environmental well-being. The Ellen MacArthur Foundation estimates that a circular economy could generate $1.8 trillion of value for Africa by 2030, creating 4.5 million new jobs and reducing greenhouse gas emissions by 25 percent.

However, despite the potential benefits of a circular economy, many challenges and barriers hinder its implementation in Africa. One of the major problems is the lack of adequate infrastructure and regulation for waste management and recycling. Most African countries lack formal systems for collecting, sorting, and processing waste, resulting in large amounts of waste being dumped or burned, posing serious health and environmental risks. According to the Global Waste Management Outlook, only 19 percent of Africa's urban population has access to controlled waste disposal services, and only four percent of the waste is treated to reduce its environmental impact. Moreover, there is a lack of clear policies and incentives to support circular practices, such as extended producer responsibility, eco-labeling, and green procurement. Without a supportive regulatory framework, companies and consumers have little motivation to adopt circular behaviours and preferences. For instance, only 12 African countries have implemented bans or levies on single-use plastic bags, which are a major source of plastic pollution.

Another problem is the limited awareness and knowledge of the circular economy concept and its benefits among stakeholders. Many businesses, consumers, and policymakers are unaware of the opportunities and advantages of shifting to a circular model, such as cost savings, resource efficiency, innovation, and competitiveness. A survey by the African Circular Economy Network found that only 58 percent of African businesses are familiar with the circular economy, and only 24 percent have implemented circular practices in their operations. Similarly, a study by the African Development Bank revealed that only 35 percent of African consumers are willing to pay more for products that are environmentally friendly or have a longer lifespan. Additionally, there is a lack of capacity and skills to implement circular solutions, such as eco-design, repair, remanufacturing, and recycling. These require technical expertise, financial resources, and access to markets that are often lacking in the African context. Therefore, there is a need for more education, training, and awareness-raising initiatives to foster a culture of circularity and sustainability in Africa.



Roosevelt Ogbonna, managing director, Access Bank

Nigeria is one of the most populous and fastest-growing countries in Africa, with a population of over 200 million and a GDP growth rate of 2.3 percent in 2019. However, it is also one of the most wasteful and polluting countries, generating about 32 million tonnes of solid waste annually, of which only 20 percent is collected and 10 percent is recycled. The rest is either dumped in open landfills, burned, or littered in the streets, waterways, and oceans. This poses serious threats to the environment, public health, and the economy, as waste management costs account for 20-30 percent of municipal budgets. Moreover, Nigeria is highly dependent on the import of raw materials and finished products, which exposes it to price volatility, foreign exchange fluctuations, and trade restrictions. A circular economy could offer a solution to these challenges, by reducing waste generation, increasing resource efficiency, and creating value from waste.

In Lagos, the government has taken to supporting the circular economy through the launch of the Blue Box programme, an initiative to improve waste collection and sorting at the household level, by providing blue boxes to residents for separating recyclable materials, such as paper, plastic, metal, and glass, from other waste. The programme also involves the establishment of sorting hubs, where the recyclable materials are further sorted and processed, and the engagement of waste aggregators and recyclers, who buy and transport the recyclables to recycling plants. The programme aims to increase the recycling rate in Lagos from 10 percent to 50 percent, create 500,000 direct and indirect jobs, and reduce the environmental and health impacts of waste mismanagement.

Besides Lagos, other states in Nigeria have also implemented or planned to implement similar programmes to promote the circular economy. For example, Ogun State has partnered with a private company to set up a waste-to-wealth project, which converts organic waste into biogas and organic fertiliser. Kaduna State has launched a waste management and recycling scheme, which provides waste collection bins and vehicles, and trains youth and women on waste sorting and recycling. Delta State has initiated a plastic waste management project, which aims to collect and recycle plastic waste into useful products, such as furniture, tiles, and roofing sheets. These programmes not only help to reduce waste generation and disposal, but also create income and employment opportunities for the local communities.

The National Environmental Standards and Regulations Enforcement Agency (NESREA) has issued guidelines and standards for the management of various types of waste, such as electronic waste, hazardous waste, and medical waste. The agency has also enforced the Extended Producer Responsibility (EPR) policy, which requires producers and importers of certain products, such as batteries, tyres, and plastic bottles, to take responsibility for the collection and recycling of their end-of-life products. Furthermore, the government has introduced incentives and subsidies for waste management and recycling activities, such as tax waivers, low-interest loans, and grants. These measures aim to create a conducive environment for the growth and development of the circular economy in Nigeria.

In addition, the government has supported the circular economy in Nigeria by raising awareness and education among the public and the private sector. The government has organised campaigns and events, such as the World Environment Day, the Clean Nigeria Day, and the National Recycling Day, to sensitise the people on the benefits and practices of the circular economy. The government has also collaborated with various stakeholders, such as civil society organisations, academic institutions, and industry associations, to provide training and capacity building on waste management and recycling. Moreover, the government has encouraged innovation and research on the circular economy, by supporting the development and adoption of new technologies and solutions, such as biodegradable packaging, waste-to-energy systems, and circular design. These efforts aim to foster a culture of environmental responsibility and sustainability among the Nigerian society.

Access Bank is one of the leading financial institutions in Africa, with a vision to become the world's most respected African bank. As part of its sustainability strategy, Access Bank is committed to supporting the transition to a circular economy, by providing financing, advisory, and capacity-building services to circular businesses and initiatives. Some of the actions that Access Bank is taking to support the circular economy include:

Access Bank contributes to the development of a circular economy policy and framework for Nigeria, as a member of the Nigerian Circular Economy Working Group (NCEWG), which will guide the nation's operations and investments in the circular economy. The policy and framework developed will outline the objectives, principles, criteria, and indicators for supporting circular businesses and initiatives, as well as the internal circular practices, such as paperless banking, green procurement, and waste management, that Nigeria will adopt. The policy and framework will also align with the national and international standards and regulations on the circular economy, such as the IFC's Performance Standards and the UN Sustainable Development Goals (SDGs).

Access Bank through the ACT Foundation supported the Lagos Business School (LBS) in the development of the Leadership Programme for Sustainable Waste Management (LPSWM) in 2019, an initiative to drive Nigeria's transition to circular economy and create sustainable communities by bringing participants who work in the waste management sector or run their own waste focused initiatives and social enterprises. The Programme which is a leadership and enterprise capacity building platform for youth empowerment in mitigating the environmental and health implications of improper waste management; improve the operational and financial viability of waste management businesses. Over the years of its existence, the programme has delivered the needed information and tools to structure and effectively run a viable enterprise, execute initiatives, projects and formulate better policies.

Access Holdings in partnership with HACEY launched the Zero Carbon Africa Impact Programme, a project that aims to guide and empower Africa's youth to harness climate action as both a catalyst for sustainable business and an instrument for environmental preservation.

The programme has multifaceted objectives to nurture climate action leaders and foster climate-resilient communities. The programme is empowering more than 700 emerging leaders with comprehensive knowledge of climate action while strengthening the capacities of youth networks across 6 sub-Saharan countries (Nigeria, South Africa, Kenya, Ghana, Rwanda and Zambia) to monitor net-zero plans' implementation, and steadfastly contribute to national and regional net-zero targets. Through a 12-week immersive journey, the programme continues to impart knowledge, transfer skills, and ignite a lasting commitment to a sustainable and green Africa. The programme's cornerstone, the Capacity Building Masterclass, delves into the nuances of climate change and its interplay with sectors such as human rights, urban planning, global public health, sustainable investing, and more. This knowledge repository serves as a bedrock for informed decision-making, driving the implementation of impactful climate interventions across communities. At the time of this report, the programme in its fifth week has completed four high-yield courses relating to Climate Science, Global Energy, Sustainable investing and Climate change mitigation.

The Zero Carbon Africa Impact Programme in sum envisions a future led by empowered high quality young leaders, thriving green and blue economies. With a projected outcome of over 700 exceptional young leaders, 35,000 community advocates, and 28 impactful climate action projects, the programme cements its role as a catalyst for transformation, heralding a new era of sustainable prosperity for Africa.

Africa's trade...

Continued from page 9

attractive for investors and traders.

However, the use of technology in port operations is just one aspect in a larger framework of sustainable trade.

The resultant benefits, such as automated systems and data analytics have the potential to lead to more efficient operations, reduced emissions, and less waste, which are all key components of sustainable trade practices. For instance, quicker turnaround times not only reduce the carbon footprint of shipping and logistics operations, but they also reduce the need for extended storage, in turn decreasing energy consumption and waste.

Is Africa ready for sustainable and eco-friendly supply chains?

Despite the challenges faced by African countries, many are making great strides. Togo's new container platform, Nigeria's planned green port, Liberia's green economy reforms – all are notable examples. Yet much still needs to be done to fully embrace the digital transformation journey, while at the same time addressing issues like infrastructure development.

All stakeholders have a role to play in implementing sustainable and eco-friendly trade practices and policies. African governments, for instance, can make a commitment to investing the funds and resources needed to create infrastructure that will support both trade and digital advancements, as well as support sustainability initiatives. The African Continental Free Trade Area can play a crucial role in developing a standardised approach to these issues, based on learnings from other countries on the continent.

Africa is a continent that has immense potential when it comes to creating and maintaining sustainable trade practices that will drive economic growth. The continent's success stories demonstrate this, and serve as a call to governments, industry stakeholders, policymakers and the private sector to work together to find tangible solutions that will promote further growth and development. Webb Fontaine is already playing a crucial role in supporting Africa's governments on their trade facilitation journeys, with specialised port technology that is securing customs revenue, mitigating trade fraud, and streamlining clearance times. In the same way, when all stakeholders collaborate and contribute to improvements in their respective areas, Africa's economies will reap the collective rewards.

Onome Amuge

UBA numbers, history offer shareholders 'rights' to comfort on anniversary month

In a year in which pan-African financial giant, United Bank for Africa (UBA) Plc turned 75, and in the month in which Nigeria will celebrate its 64th Independence, the financial institution is believed to be getting set to offload to its shareholders some bragging "rights" to more shares in Africa's Global Bank, writes Phillip Isakpa.

IN THE MONTH OF NIGERIA'S independence anniversary the United Bank for Africa (UBA) Plc, which has the intentional moniker of Africa's Global Bank, has chosen to package a deserving 'gift' for its investors and shareholders in the form of a rights issue, details of which analysts and the market are sitting and standing pretty waiting to see its details unfold. Nigeria is where UBA Plc has its global headquarters but, as its moniker shows, it has a global spread, carrying its Africanness by way of its origin, to different locations on the globe. Yet, understandably we are still in September, and it's only a few days before the country rolls out the drums to celebrate this very important anniversary; but it would seem the board and management of UBA Plc are trying to double this celebration for its shareholders by unfolding this rights issue in this anniversary month, more especially when you also note that 2024 is also the bank's anniversary year when it turned 75 years of offering financial services to individuals, households, businesses and communities across Africa.

So, while analysts and the markets, and even more especially, investors, sit and stand pretty, an examination of some fundamentals and the history of the bank offers shareholders a lot of comfort even in their anticipation. It is the prism upon which to look at the financial behemoth that has transcended borders continental and intercontinental. The fundamentals, especially seen through its financial ratios and performances, are an excellent way to look at the strengths of the multinational bank and also see the impacts it has made over the years. Investors and shareholders often need this type of information for clarity and enable them to decide on the position to take when shares are brought to the market.

The starting point for a look at UBA's numbers may well be at its most current, which gives everyone a sense of where the bank is at the moment. While the bank's financial reports for the second quarter and half year 2024 are awaiting regulatory approval, before being made public, the numbers for the first quarter provide a lot of comfort going forward for anyone interested in the shares of the bank, especially if it is also about increasing the number of shares owned by an existing shareholder. Take a look.

It recorded huge profit growth that records showed to be the fastest in 10 years. For instance, profit before taxation recorded a growth of 155 percent in the first quarter to reach N156.34 billion, a year-over-year rise from N61.7 billion in 2023. The post taxation profit also jumped significantly by 165 percent to N142.5 billion from N53.5 billion a year ago.

When you drill down to the performance of these numbers by way of value to shareholders, earnings per share (EPS) jumped very well to reach N3.96 in Q1 2024, which compares favourably with a year ago when it was just N1.47 in 1Q 2023. Higher revenue helped profit margin to reach 36 percent from a year ago when it was 30 percent.

Tony Elumelu, group chairman, United Bank for Africa (UBA) Plc

Oliver Alawuba, group managing director/CEO, UBA Plc

Also, another financial data shows that the bank, for more than three years, had its average EPS jump by 70 percent annually yet having its share price rise yearly by only 53 percent. One analyst said this represented a huge lag in earnings growth and that it shows value in the bank's shares.

Growth can also be seen by looking at a full year's performance. For UBA Plc, the full year performance for 2023 shows the steadiness of the bank's management to produce results that reward investors, especially with its eyes on ensuring that consistent growth is achieved year-on-year.

In its 2023 financial results, UBA's management capacity to raise performance stake is evident in the significant increase recorded in gross earnings by 143 percent from N853.2 billion in 2022 to N2.08 trillion.

The result for 2023 showed a remarkable and robust performance across all key metrics. The bank's total assets appreciated 90.22 percent, soaring from N10.86 trillion in 2022 to N20.65 trillion by the end of 2023. The commendable increase was attributed to UBA's continued strength and resilience, as well as its ability to effectively navigate the increasingly complex financial landscape.

The bank also recorded an outstanding profit before tax (PBT) in 2023, which grew by 277 percent to N758 billion, from N201 billion in 2022. The significant improvement in PBT was further reflected in the bank's profit after tax (PAT), which rose 257 percent, from N170 billion in 2022 to N608 billion in 2023. In addition, the bank's cost-to-income ratio, which measures the bank's efficiency, improved significantly from 59.2 percent in 2022 to 37.2 per cent in 2023.

The Tier-1 bank reported a 61.3 percent increase in loans to customers, from N3.4 trillion in 2022 to N5.5 trillion in 2023, while customer deposits rose 90.31 percent from N7.8 trillion in 2022 to N14.9 trillion in 2023, reflecting increased customer confidence, enhanced customer experience, successes from the ongoing business transformation programme and the deepening of its retail banking franchise.

In line with UBA's impressive performance across other financial metrics, the group shareholders' funds increased significantly by 120.2 percent from N922 billion in December 2022 to N2 trillion by December 2023.

Shareholders are always the beneficiaries under this circumstance. For instance, this performance by UBA and historically, led to the provisioning of N78.7 billion as final dividends for 2023.

Oliver Alawuba, the group managing director/CEO, dwelled on the group's shareholder's funds which crossed N2 trillion from N922 billion in 2022, and total assets which crossed the N20 trillion mark, with a 90.2 percent Year-on-Year growth. He noted that the group is well positioned for further business expansion in FY2024 having closed FY2023 with Capital Adequacy Ratio of 32.6 per cent.

UBA Plc is steeped in history. Not many banks with its longevity and rich history are still able to establish themselves with relevance to the new times that we are in.

Muyiwa Akinyemi, UBA Group's deputy managing director, during the bank's 75th-anniversary celebration, reflected on its remarkable journey, noting UBA's evolution from its founding as the British & French Bank in 1949 to becoming Africa's leading financial institution, a testament to its resilience and adaptability.

"UBA today operates across four continents with presence in 20 African countries, United States of America, France, United Kingdom and UAE; and over the past 75 years, we have exemplified stability, reliability, and excellence in banking, achieving numerous milestones and positively impacting the communities that we serve," Akinyemi said.

Oliver Alawuba, group managing director of the bank pointed to the high number of historical achievements achieved by UBA in the course of its history. Reflecting on this history, he highlighted the following pioneering achievements:

-First Nigerian bank to offer an Initial Public Offering (IPO) in 1970.

-First Nigerian bank listed on the Nigerian Stock -Exchange (NSE).

-First Nigerian bank to open branches in the USA and London,

-Pioneer in introducing mobile banking in Nigeria

-Introduced Leo, the first multilingual chatbot in Nigeria

-First Nigerian bank to launch successful Prepaid Cards across Africa

"Our commitment to exceptional customer experience as well as our financial strength and resilience over the years has been key to our success. Our robust performance, especially over the last couple of years, underscores our sound strategies and commitment to operational excellence. I am sure everyone in this room will agree with me that UBA remains an attractive investment opportunity as it continues to deliver exceptional value to our shareholders," Alawuba also said at the time.

The GMD added that the bank's diversified business model (Pan-African and international strategy) is justified by the contribution of its non-Nigerian business to the group's results and reinforces its resolve to expand the market share of customers, funding, digital and transaction banking businesses across Africa.

"Driven by our customer service and execution-led delivery model, we will continue to expand our market share and create value for our shareholders and meet the expectations of our various stakeholders," he stated.

There is everything to suggest that UBA has been built to be trusted for investors and shareholders to invest for better returns. The board and management speak to the need for this confidence building. For instance, Tony Elumelu, group chairman, following the bumper dividend payout for 2023, earlier this year enjoined shareholders to bank on the bank with their dividends. He showed his readiness to walk the talk when he said:

"I call on you shareholders to re-invest a substantial part of your dividends in our rights issues which will be announced soon, as we will be giving you the first opportunity to own a share in all the countries where we operate, I am advising shareholders, as you get your dividends, reinvest a significant part of it. As for my board members and I, we would be investing 100% of the dividends we get, because If we don't do so, it means we would be leaving food on the table for others who did not labour for it."

There are some key indices that UBA produces that stand it out. Its price to earnings ratio is 1.2x. As a pan-African bank you have to look at that against the African banking industry average of 4.8x.

The bank's stock on the Nigerian Exchange has been doing well with analysts projecting the price could rise by 37 percent. Last year, it turned out that the stock had rallied +237 percent to become the best performing bank stock.

Yet, there is even much more going for UBA Group, especially on the global scene. Its pan-African credentials have seen it spread subsidiaries across Africa, expanding to 20 African countries and with a global presence in financial capitals, including New York, London, Paris, Dubai and Shanghai with 25,000 staff and over 35 million customers.

The bank's subsidiaries across Africa were responsible for contributing 55 percent of its profits in 2023, a testament to the positivity of the pan-African pursuit of the bank. It has signed a 3-year partnership with Africa Continental Free Trade Area (AfCFTA), something one analysts group described as 'business accretive'.

UBA continue to be an influential financial institutions in the countries where it has offices and its leadership continue to be present on the world stage, including taking part in global events such as World Economic Forum (WEF), World Bank and International Monetary Fund (IMF) meetings, the United Nations General Assembly (UNGA) sideline events, among many others.

Through its influence and the respect it has garnered over the years, UBA was made the receiving bank for Nigeria's first ever domestic dollar bond that recently raised $900 million. Many analysts covering the bank say there is a lot of great things still to come from the financial powerhouse.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	97,456.62	3,609.40	8,164.12	39,118.86	5,460.48	79,707.11	17,732.60
CURRENT	1.06	0.82	-0.19%	-0.12%	-0.41%	0.93%	0.71%
YEAR TO DATE	30.34	29.36	5.57%	3.79%	14.48%	3.66%	11.16%

TOP TRADERS

Company	Volume	Value
JAPAULGOLD	105650070	274495361.1
FBNH	43192810	1242734889
ZENITHBANK	28620582	1073424297
UBA	15538544	371185368.9
ETI	14595478	329553796.5

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	FLOURMILL	N 49.55	N 54.50	9.99%
2	CAVERTON	N 2.31	N 2.54	9.96%
3	ETI	N 21.60	N 23.75	9.95%
4	RTBRISCOE	N 3.32	N 3.65	9.94%
5	UPDC	N 1.62	N 1.78	9.88%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	DAARCOMM	N 0.72	N 0.65	-9.72%
2	DEAPCAP	N 1.02	N 0.93	-8.82%
3	PZ	N 17.10	N 15.65	-8.48%
4	CUSTODIAN	N 14.20	N 13.00	-8.45%
5	MCNICHOLS	N 1.54	N 1.41	-8.44%

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

Nigerian equities march to N454.86bn on NGX bullish beat

Onome Amuge

INVESTORS IN THE NIGERIAN equities market were rewarded with a profitable trading week as the Nigerian Xchange Group (NGX) recorded a rise in market capitalisation to N56.46 trillion, a N454.86 billion increase from the prior week's N56.00 trillion.

The profitable week for investors follows on the heels of a successful previous week, where gains of N607 billion were realised.

In spite of the reduced trading week due to the federal government's holiday declaration, the Nigerian Xchange Group (NGX) experienced three out of four trading days marked by gains. The overall market performance was positive, driving market capitalisation up to N56.46 trillion from N56.00 trillion in the preceding week, indicating an uplifting shift in investor sentiment.

Reflecting the buoyant sentiment in the market, the All-Share Index (ASI) rose 0.81 percent to 98,247.99 points at the close of the shortened trading week, up from 97,456.62 points recorded the week prior.

L-R: Ifeanyi Nbonu, chief dealer, Imperial Asset Management; Segun Owadokun, deputy managing director, Coronation Securities; Olumuyiwa Adeyemi, managing director/CEO, Atlas Portfolio; Akeem Shadare, chief executive officer, Chapel Hill Denham Securities; Olutoyin Ayoade, managing director/CEO, MBC Securities; Chuka Mordi, managing director/CEO, Ellah Lakes PLC; Marcus Oladapo, managing director, EDC Securities; Saheed Bashir, managing director, Meristem Stockbrokers; Layi Olaleru, chief executive officer, RMB Nigeria Stockbrokers; Paul Farrer, deputy managing director, Ellah Lakes PLC; and Bolaji Nurudeen, managing director, Kedari Capital, during the facility tour of Ellah Lakes PLC at Ellah Lakes Farm, Iguelaba Community, Edo State, recently

Though trading commenced on Tuesday, September 17, 2024, following the holiday on Monday, investors demonstrated unwavering appetite for profit-making, with gains of N131 billion registered at the end of the day's trading session.

Following the upward trajectory from the previous day, the Nigerian equities market registered additional gains of N313 billion on Wednesday, September 18, 2024.

However, a minor market correction was observed on Thursday, September 19, 2024, with investors suffering a loss of N130 billion.

The week closed on a positive note on Friday, September 20, 2024, with investors making profits of N140 billion at the end of trading session, an affirmation of the market's overall bullish sentiment.

The trading week saw a dip in trading activity compared to the previous week, as investors on the NGX transacted a total of 1.860 billion shares valued at N38.445 billion in 40,228 deals. This contrasted with the comparatively higher trading volume and value recorded in the preceding week, which witnessed 2.584 billion shares worth N51.205 billion exchanged in 50,615 deals.

The financial services industry emerged as the leader in equity turnover volume and value traded with a significant contribution of 44.13 percent and 42.01 percent respectively. The industry's trading activity was dominated by 820.815 million shares valued at N16.149 billion being transacted in 16,627 deals. The oil and gas industry secured the second position in trading activity with 443.711 million shares valued at N5.055 billion being transacted in 5,319 deals. The industry's trading volume and value contributed 24.00 percent and 10.36 percent respectively to the total equity turnover volume and value.

The conglomerates sector occupied the third position in the trading activity rankings with a trading volume of 183.729 million shares valued at N2.971 billion being traded in 2,510 deals.

Japaul Gold & Ventures Plc, FBN Holdings Plc, and UACN Plc dominated the NGX trading activity for the week, collectively accounting for 39.14 percent of the total equity turnover volume and 26.09 percent of the total equity value traded. The top three equities generated substantial trading volumes and values, with 728.034 million shares worth N10.029 billion being traded in 4,374 deals

The equity market continued to favour CAVERTON as it recorded the most significant share price percentage increase for the second consecutive week, soaring 45.28 percent.

FIDELITY BANK also made notable gains, with its share price rising by 24.20 percent, while FIDSON's share price ascended by 21.76 percent in the same period.

On the flipside, the equity market witnessed a marked shift in investor sentiment towards NNIGFLOURM (New Nigeria Flour Mills Plc), MECURE, and TANTALIZERS, as these companies experienced declines in their share prices.

NNIGFLOURM, whose share price plummeted by a staggering 18.97 percent, led the bearish charge, followed by MECURE's 18.18 percent drop, and TANTALIZERS' 14.08 percent depreciation, marking a significant erosion of market value and investor confidence in these equities.

Sterling HoldCo taps $50m in private placement for long-term growth strategy

Joy Agwunobi

STERLING FINANCIAL HOLDINGS COMPANY PLC has unlocked a $50 million war chest, catapulting its subsidiaries closer to satisfying the Central Bank of Nigeria's (CBN) recapitalisation demands in a single, game-changing manoeuvre.

The firm announced that it had successfully completed a private placement, raising approximately N75 billion from a consortium of domestic investors and ultra-high-networth groups in Lagos.

The infusion, achieved via a private placement, is set to position the company to meet the recapitalisation requirements set by the CBN. The capital injection is currently in the final stages of regulatory approvals, paving the way for Sterling Financial Holdings Company PLC to strengthen its financial position and competitiveness within the Nigerian financial sector.

Speaking at the private placement ceremony, Yemi Odubiyi, the group chief executive Officer of Sterling Financial Holdings Company, remarked on the capital infusion, stating that the capital raise demonstrates the market's confidence in its vision and potential as a business enterprise.

Addressing the decision of investors to allocate capital to Sterling HoldCo, Odubiyi highlighted the company's drive to innovate and redefine norms in the Nigerian financial services sector.

The Sterling HoldCo's CEO also reflected on the company's evolution from a humble merchant bank to a pioneering financial services enterprise, pointing out the company's agility and commitment to innovation.

"Our vision, performance, and journey continue to be rewarded with the highest form of investor confidence – more capital. This infusion of funds not only reflects the trust our investors place in us, but also serves as a powerful endorsement of our strategy and future potential. With it, we reaffirm our commitment to driving social, sector, and economic growth beyond banking.

"By investing in and incubating new subsidiaries, we will prioritise value creation that stimulates and sustains growth for both the enterprise and the nation's economy. Our investment strategy is anchored in sustainable practices that will deliver long-term value for society and consistent returns for investors," he concluded.

SEC seeks to boost NGX listings with state-owned enterprises

Business a.m.

THE SECURITIES AND EXCHANGE COMMISSION (SEC) has urged government agencies and state-owned enterprises to list on the Nigerian Exchange Ltd (NGX).

Emomotimi Agama, the director-general of the Securities and Exchange Commission, in a recent interview with news outlets in Abuja, emphasised the importance of such listings for deepening the nation's financial markets and enhancing liquidity and transparency.

Agama, underscored the potential benefits of listing on the Nigerian Exchange Ltd (NGX), stating that such listings would help to democratise the operations of state-owned enterprises (SOEs).

According to Agama, listing on the NGX could increase transparency and inclusiveness, ultimately providing an avenue for wealth creation and economic empowerment among Nigerian citizens.

He further indicated that

the SEC is prepared to offer incentives to motivate SOEs to take advantage of this opportunity and list on the stock exchange.

The SEC DG stressed the commission's dedication to fostering market inclusivity through technological innovation. He emphasised that by harnessing the power of technology, the capital market would become more appealing, especially to younger investors.

"We support the use of apps and fintech tools, and we backed the inauguration of the electronic offering platform at the Nigerian Exchange," he stated.

Agama underscored the importance of attracting qualified individuals to the investment process, aiming to revolutionise the investment experience in Nigeria.

He emphasised that the SEC would prioritise removing common obstacles that hamper investment, with the ultimate goal of breathing new life into the capital market.

The Securities and Exchange Commission (SEC) had earlier endorsed the Nigerian Exchange Limited's initiative to launch the Impact Board, a platform designed to facilitate the listing and visibility of sustainability-oriented financial instruments.

According to Agama, the NGX Impact Board was established with the primary objective of fostering the growth of green finance, addressing climate change, and advancing sustainable economic practices.

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

Regulatory shake-up recommended for insurance sector to unlock growth

Cynthia Ezekwe

IN THE MIDST OF GROWING CONCERNS about the state of Nigeria's insurance sector, industry analysts are calling for a radical overhaul of the country's regulatory framework.

The sector's inability to keep pace with global standards, they say, demands a comprehensive review of insurance regulations. This, in turn, is expected to drive sectoral expansion and competitiveness, helping Nigeria realise the significant growth potential of its insurance industry.

Nigeria's insurance sector continues to lag behind global standards, contributing less than one percent to the country's GDP. Industry analysts point to outdated regulatory frameworks, limited market penetration, and low consumer awareness as the key factors impeding the sector's growth.

With a population of over 200 million, Nigeria is a potential goldmine for the insurance industry, provided the right conditions are met, say industry experts.

They highlighted the country's large and diverse population as a significant opportunity for growth if harnessed effectively, coupled with the introduction of new innovative products and distribution channels to reach new segments of the market beyond traditional channels.

In a leadership academy programme titled "Business Insights With AO," Austin Okere, the founder of CWG Plc, a pan-African systems solutions company, expressed dismay at the low rate of insurance penetration in Nigeria, Africa's largest economy.

Front row (R-L): Demola Sogunle, chief executive, Stanbic IBTC Holdings; Ayobami Atigbabu, commissioner for education, science and technology, Ogun State; and Oluwatosin Oloko, permanent secretary, Ministry of Education, Science and Technology, at the commissioning of a newly built vocational centre donated by Stanbic IBTC Holdings to Lisabi Grammar School, Abeokuta, recently.

"I was deeply shocked to learn that the insurance industry in Nigeria contributes less than 1 per cent to the GDP. The banking industry in Nigeria on the other hand contributes 10 percent. So the question is: Why is it that globally insurance companies are bigger than banks? But in Nigeria, the insurance companies are very negligible compared to the size of banks?" He asked.

He attributed the low penetration rate to lack of effective regulation and transparency, stating, "If you look at the banking industry in Nigeria, the regulation of the Central Bank of Nigeria and the other regulatory bodies is very tight. Whereas you cannot say the same for the insurance industry."

In his analysis, Okere highlighted the importance of a robust regulatory environment in attracting investment and driving growth in the insurance industry.

In a chat with business a.m., Gus Wiggle, founder of Carefirst Consult, a claims management company observed that insurance industry in Nigeria operates under a prescriptive and outdated legal framework that hampers its growth and development, adding that the National Insurance Commission (NAICOM) as the main regulator faces challenges in ensuring compliance, supervision, and protection of policyholders and beneficiaries.

Wiggle further emphasised the need for increased consumer education and awareness, stating: "The insurance industry in Nigeria needs to invest more in creating and disseminating insurance knowledge and information to the public, especially at the grassroots level. The industry also needs to collaborate with relevant stakeholders such as the government, media, civil society, and religious groups to promote the culture and benefits of insurance.

He stressed the need to increase capital and human resources, noting that the insurance industry in Nigeria needs to raise its capital base to meet the minimum requirements set by the National Insurance Commission (NAICOM), as well as to improve its solvency, and competitiveness.

Wiggle therefore suggested that NAICOM enhances its capacity and authority to regulate, supervise, and enforce the rules, and standards of the industry as it is pertinent the industry adheres to ethical principles, and professional codes of conduct.

Experts have also underlined the importance of a risk-based approach to supervision for the insurance sector's stability, arguing that NAICOM should adopt this approach to focus on key areas such as underwriting, claims settlement, and solvency.

They explained that risk-based supervision would enable insurers to manage risks more effectively, thus reducing potential losses and building policyholders' trust.

This approach would ensure that insurers operate within established risk parameters, safeguarding policyholders' interests and promoting sectoral stability.

In addition to regulatory reforms, industry stakeholders also advocate for increased infrastructure development, particularly in underserved regions, as a means to accelerate growth and expand insurance penetration. They argue that such investments will not only boost the insurance sector but also contribute to Nigeria's overall economic development, ultimately advancing the country's socio-economic progress.

Based on the challenges seen hindering the development of the insurance sector, experts assert that addressing Nigeria's outdated regulatory frameworks, limited market penetration, and inadequate consumer awareness would lead to an increase in the insurance sector's contribution to the country's GDP.

They believe that the right regulatory environment will facilitate investments in consumer education, creating the necessary conditions for the industry to flourish and reach its full potential.

Universal Insurance rakes in N8.02bn revenue in FY2023

UNIVERSAL INSURANCE Plc, a non-life insurance provider in Nigeria, has reported a remarkable performance in 2023, with its revenue soaring to N8.02 billion.

Speaking at the company's 54th annual general meeting, chairman Jasper Osita Nduagwuike noted the significant growth in Universal Insurance's top and bottom lines, with a gross written premium of N9.3 billion, representing a substantial increase from the N5.7 billion recorded in 2022.

Nduagwuike further revealed that Universal Insurance's total assets appreciated to N15.7 billion in 2023, representing a significant increase from N12.3 billion recorded in 2022. Moreover, the company's shareholders' funds also increased to N10.4 billion in 2023, from the N7 billion recorded in the previous year.

The company chairman also reported that Universal Insurance recorded a profit of N514,673 million in 2023, while total assets increased from N12.3 billion in 2022 to N15.7 billion in 2023. This led to a significant growth in the company's shareholders' fund, from N7 billion in 2022 to N10.4 billion in 2023.

Nduagwuike underscored Universal Insurance's unrelenting dedication to value creation for its customers and shareholders, emphasising the company's robust financial position and strategic approach that enables it to manoeuvre the ever-changing business landscape in Nigeria.

Commenting on the company's performance and projections in the months ahead, Nduagwuike said:

"This great achievement gives confirmation to the unwavering resilience of all stakeholders and their commitment to our corporate existence, surpassing expectations. Our unbroken streak of profitability in recent times is as a result of our collective efforts.

"Despite the challenging times ahead, our company remains dedicated to navigating this turbulent economic landscape and achieving our business objectives. We intend to drastically change our cost structure to establish intermediate and long-term actions to essentially adjust in line with reality, actively engage the company in defining the necessary behaviours to build on cultural strengths, own the actions to shape the future, and be clear about what we must have in order to succeed in the future regardless of the state of the economy."

L-R: Moji Jimoh, head, Abuja zonal office of the Nigerian Maritime Administration and Safety Agency (NIMASA); Allwell Onyesoh, chairman, senate committee on Federal Character and Inter-Governmental Affairs; and Isichei Osamgbi, director of administration, NIMASA, during the committee's interactive meeting with NIMASA delegation at the National Assembly Complex in Abuja recently.

In line with the chairman's remarks, Benedict Ujoatuonu, Universal Insurance's managing director and CEO, highlighted the company's key strategic focus areas for sustainable growth.

Ujoatuonu stated that the company will focus on market expansion, digital transformation, and talent development to drive sustainable growth and deliver long-term value for its stakeholders.

EXECUTIVE KNOWLEDGE SERIES

INSEAD The Business School for the World®

KNOWLEDGE@WHARTON

Wharton University of Pennsylvania

In Association with access

STRATEGY

Negotiating Beyond Win-Win

INSEAD Knowledge

INSEAD Knowledge is the expert opinion and management insights portal of INSEAD, The Business School for the World.

Horacio Falcao

Professor of Management Practice of Decision Sciences

Roderick Swaab

Professor of Organisational Behaviour

Eric Luis Uhlmann

Professor of Organisational Behaviour

CONSTRUCTIVE DIALOGUES AND sustainable negotiation strategies can bring us closer to a more humane world.

The world is becoming more interconnected. Digital platforms and social media are giving us a greater "voice" and more ways to form groups, which enable the airing of diverse opinions and can lead to higher chances that we'll disagree with one another. Unsurprisingly, we are seeing great polarisation and conflicts in many parts of the world. Research shows that fixed-pie or zero-sum mindsets are increasing, which can lead to more adversarial and distrustful situations, and even power escalation and wars.

Negotiation and conflict management are ever more important in these times. What we really need is not just a one-time "win", but more constructive dialogues and sustainable negotiation strategies.

In this podcast, the co-founders of INSEAD's Negotiation and Conflict Management Collaborative (NCMC), Horacio Falcão, Roderick Swaab and Eric Luis Uhlmann, discuss the art of negotiation and conflict management. They explain how developing these skills will not only increase tolerance, but also help people transform disagreement into opportunities to work together and create value – in other words, expanding the pie instead of trying to expand their share of a "fixed pie".

Of the many ways value can be created through negotiation, one of them is the potential to reduce social and economic inequality. Empowering individuals with negotiation and conflict management skills can be a means to reduce unfair or unequal outcomes. Training is therefore important, yet it is not always within reach. Falcão, Swaab and Uhlmann share why they started the free teaching resource platform known as the Negotiation Course for the World. The objective is to empower those without access to negotiation education by providing free role-play exercises, lecture slides and other teaching materials to instructors around the world.

Clearly, value can take many forms. Negotiation is not just about winning; it is about cooperating to create value. It's not just about the outcome, but about the process – including how you conduct yourself and the choices made along the way. The co-founders of NCMC share some tips for effective negotiation:

1. **Listen**
2. Be respectful; consider the feelings of the other party and the relational outcome you want to achieve
3. Use persuasion, not coercion (or power plays)
4. Mind your reputation
5. Don't oversimplify the situation
6. Consider the rights and concerns of stakeholders who may not be present in the negotiation
7. Frame the negotiation as a problem to be solved rather than a confrontation

Ultimately, when we learn to interact with others with a win-win mindset, we can build a more humane world – one negotiation at a time.

STRATEGY

How Digital Technologies Powered the Olympic Games

CHENGYI LIN
Affiliate Professor of Strategy

DIGITAL TOOLS SUPERCHARGED THE CREATION, distribution and personalisation of content at Paris 2024.

The recently concluded Olympic Games in Paris hosted around 10,500 athletes from 206 National Olympic Committees (NOCs), with over half of the world's population tuning in to watch the action as it unfolded. To host a sporting event of this scale is notoriously expensive for the host nations, to the tune of US$28 billion for Tokyo 2020 (exceeding the initial budget by nearly 80 percent).

A large portion of revenue collected from the Games comes from ticket sales, advertising and sponsorships, which all depend on the event's ability to attract eyeballs. This is becoming increasingly challenging due to the shift from traditional television broadcasting to online streaming, the rise of social media and heightened demand for high-quality, instantaneous and personalised content, among other factors.

How can the Olympic Games overcome these hurdles and meet the requirements of various stakeholders? What role do digital technologies play in enabling its operations? We chart the actions of Chinese technology conglomerate Alibaba – one of the 15 Worldwide Olympic Partners of Paris 2024, Tokyo 2020 and the Winter Olympics in Pyeongchang in 2018 and Beijing in 2022 – to share key lessons on digitalisation.

1. Digital can and should be 99.999 percent reliable

Many of us have experienced that moment of exasperation when your video freezes during an important Zoom call or your phone runs out of battery just as you're about to call a cab. These small yet inconvenient failures lead to a common frustration that digital technologies can disappoint us when we need them the most.

This is unacceptable for the Olympic Games. As we witnessed during the men's 100-metre race, American runner Noah Lyles won the gold medal by a 0.005-second margin. Omega's technology must be extremely accurate and reliable to capture these results. The International Olympic Committee (IOC) set a nearly impossible goal: Essential technology services, including cloud services, should operate successfully 99.999 percent of the time.

How can a technology provider deliver on this near-perfect promise? The answer is redundancies. Alibaba established a number of redundancy measures to ensure the reliability and resilience of its services. First, it built sufficient back-up systems around its technologies, ranging from hardware to software. The company also deployed load balancers to distribute traffic to multiple back-end servers, cross-available zones and regions to support these multi-level redundancies.

Next, the Alibaba team optimised its processes specifically for the Olympics to maximise resilience. To fully ensure the stability of the Olympic cloud platform, it was locked down one month before the Opening Ceremony till the end of the Closing Ceremony. This helped avoid any changes that could lead to an unexpected impact on technology services. Alibaba also simulated different scenarios via end-to-end rehearsals, including three internal ones and two technical ones with the Paris 2024 Organising Committee (POC) and technology partners like Atos and Samsung.

Equally important, Alibaba committed key resources – dedicated "core teams" – to ensure ultra-high-quality deliveries. To enable early detection, the Alibaba Cloud on-site teams worked closely with the IOC and the POC, monitoring connected infrastructures and the cloud platform 24/7 during the Games. Abnormalities were detected within seconds and automatically assigned to one of four severity levels, which triggered the required responses. This ensured that the relevant teams were quickly activated to fulfil the strict reliability requirements of the Games.

In addition to the on-site support teams, relevant expert teams were deployed to work closely with the IOC and each organising committee. The tasks started before the Games with migrating local systems to the cloud, supporting staff and volunteer training on the usage of various technologies including AI and building customised innovations.

Although back-end activities are often hidden from the public eye, these efforts helped ensure a nearly flawless 99.999 percent delivery.

2. Digital can offer instantaneous and high-quality content

While nothing compares to the sheer thrill of watching the Games live, streaming services can provide a higher-quality viewing experience. Live streaming can offer instant replays from multiple angles, digital illustrations, rich data analysis and a nearly 360-degree virtual rendition of critical plays. All this made Paris 2024 the first Games in which internet live-streaming volume surpassed any other distribution means including television broadcast, according to Yiannis Exarchos, the CEO of Olympic Broadcasting Services (OBS).

How did digital technologies enhance the viewing experience and make it more engaging? Traditionally, in addition to OBS, each broadcaster or media-rights holder (MRH) sends its own crew to record specific footage. This costly practice generates much waste, as proprietary videos and images captured are not usually shared with other broadcasters. The sheer number of recordings can take days or even weeks to sift through and can be difficult to fit into social media formats.

Cloud technologies help tremendously in this regard. Starting from Tokyo 2020, Alibaba worked with OBS and MRHs to implement a new practice. OBS invested in high-speed, high-resolution cameras to document the action, and recordings were centralised in the Alibaba Cloud. This reduced the need for each broadcaster to send a large team to the Games, freeing up their crew to focus on pre- and post-game coverage, behind-the-scenes features and exclusive interviews.

Paris 2024 marked an acceleration of this approach. OBS created a vault of all event recordings from multiple angles, and gave each MRH complete access. Once the content was centralised on the cloud, Alibaba added a layer of AI, including GenAI (generative AI), to help broadcasters select, edit and produce various content.

AI can provide high-resolution renditions of significant moments. Consider the men's 100-metre final, where American athletes Noah Lyles and Fred Kerley, and Jamaica's Kishane Thompson appeared to cross the finish line at nearly the exact same time – at least according to the naked eye. Almost instantaneously, the AI solution processed the images and videos captured by multiple cameras to create a 360-degree rendition of this moment. Digital technology presented a clear verdict – Noah Lyles was a nose ahead by 0.005 seconds. The freeze-frame, slow-motion replay served up high-quality and highly engaging content to online viewers.

Additionally, AI can be used to edit multiple camera recordings almost instantaneously. Thanks to facial recognition and object-tracking algorithms, the AI editor can speedily select the right recordings featuring specific athletes or highlighting certain plays. Exarchos praised the technology for pushing "the way we convey the stories of athletes [and] sports".

GenAI also significantly enhances real-time data analysis and graphic representation. A key feature that sets the streaming experience apart from on-site viewing is the richness of information, ranging from historical and live data to complementary graphics. At the recent Games, digital graphics displayed during swimming events highlighted the relative distance of each athlete to the leading swimmer in real time, as well as the trajectory of the ball after each play in tennis or table tennis.

The new generation of viewers are digital natives used to consuming content that is short, instantaneous and personalised. To address this demand, the Alibaba team built an AI solution that distils the most memorable moments from full-length footage into short video highlights within minutes.

The system uses advanced machine-learning algorithms to detect, classify and tag key events within video files – be it goals, fouls or standout plays – across different sports. Each influencer or broadcaster can provide the desired storyline, and the tool will custom-generate multiple versions of the highlights in required formats. This increases the efficiency and effectiveness, as well as reduces the costs of customised distributions across different social media platforms.

This wide spectrum of high-quality and real-time content became a staple of Paris 2024. IOC president Thomas Bach acknowledged that the digital technologies used at the Games contributed to the record-high audience engagement.

3. Digital can make content more relatable across cultures

In addition to the two official languages – English and French at the recent Games in Paris – the Olympic Charter requires the use of four additional languages: Spanish, Russian, German and Arabic. The Olympic Channel, also available in Chinese, Hindi, Italian, Korean, Japanese and Portuguese, was broadcast to about half of the world's population.

GenAI plays a critical role in content sorting and quick searching. Alibaba's AI algorithm helped broadcasters – especially commentators – select, edit and distribute customised content for each country based on popularity and social media trends. Take the women's singles badminton final between He Bingjiao of China and An Se-young of South Korea. In China, the match was broadcast by CCTV with tailored replay for He. Meanwhile, in South Korea, it was aired on KBS with tailored replay for An. In the future, GenAI could even translate voice commentary and text content into multiple languages.

Through customised content based on a single source, digital tools not only create a shared experience across cultures, but also enable moments of unity.

4. Digital can reduce complexity and uncertainty

With all these digital enhancements, surely costs would rise, no? In fact, these technologies have helped reduce costs. Consider the highly polarising Paris 2024 Opening Ceremony. Despite its many controversies, the event was indisputably unique. It broke the boundary of a single venue by integrating digital content with live performances, reimagining the Parade of Nations along the River Seine and having multiple stages across Paris. The need to synchronise everything and ensure a seamless audience experience presented significant logistical challenges.

All the digital benefits explained so far were at play. The cloud enabled organisers to effectively manage resources and logistics while providing instantaneous analytics and feedback. AI supported real-time editing, providing high-quality content that was simultaneously transcribed and translated into multiple languages for local broadcasting. GenAI created the scenes in which the Minions stole the "Mona Lisa" and enriched the content with additional information and graphics to enhance visual impact. What's more, selected video segments and still images were tagged and channelled through social media to fit the needs of different audiences.

The best part? This highly engaging content was offered at a lower cost and yielded a lower carbon footprint. The prevalence of digital, cloud and AI technologies significantly reduced the need for human resources. OBS produced over 11,000 hours of content at Paris 2024, a 15 percent increase from Tokyo 2020. OBS' online content delivery platform (Content+), which is supported by Alibaba, was the primary method of delivering short-form and social media content to MRHs. The latter had access to more than 17,000 pieces of content, of which approximately 790 pieces were vertical content designed for social media.

Yet, the International Broadcast Centre's physical space at Paris 2024 was 13 percent smaller than Tokyo 2020, and electricity consumption at Paris 2024 was 44 percent lower than Tokyo 2020. Additionally, the area used for broadcasting at sporting venues was reduced by 11 percent and power consumption was reduced by 29 percent as compared to Tokyo 2020.

As digital transformation continues to permeate both business and society, many leaders and business executives continue to wrestle with the question of whether and how digital can bring value. Paris 2024 provides a clear answer. Digital can improve both effectiveness and efficiency. It can boost engagement by providing high-quality, engaging and customised content, reduce costs and ensure stability and reliability.

If a high-stakes event like the Olympics can benefit from digital tools, high-performing businesses can apply these lessons to their digital transformation and drive value through these technologies.

How Low-income Households Can Secure Their Retirement Finances

A new plan from the Penn Wharton Budget Model projects account balances as high as $200,000 for more than 56 million low-income Americans.

KENT SMETTERS

Boettner Professor, Professor of Business Economics and Public Policy

LOW-INCOME AMERICANS WITHOUT sufficient savings have faced an increasingly bleak outlook for financing life after retirement. The programs they bank on — Social Security, Medicare, and Long-term Medical Care — face severe funding shortfalls that could mean cutbacks in benefits. A new illustrative plan designed by the Penn Wharton Budget Model (PWBM) in response to policymaker questions may well be their silver bullet to have a decent-sized nest egg without actually having to save more than what they already do. Employers are also not burdened with higher administrative costs or contributions. The plan does not increase the federal deficit.

PWBM has analyzed an illustrative policy where individuals could potentially have retirement savings of more than $200,000 each in automatic retirement savings accounts. The plan is for the federal government to create those personal individual investment accounts for qualifying individuals, based on existing Earned Income Tax Credit criteria. Under different scenarios, the plan could cover between 56 million and 58 million low-income Americans by 2030.

Participants in the plan could bequeath those savings to their near and dear ones or other selected beneficiaries, although they cannot make early withdrawals before retirement at age 65. More often than not, low-income people have "very little to bequeath to the next generation," other than a house, Kent Smetters, faculty director at PWBM said on the Wharton Business Daily radio show that airs on SiriusXM. (Listen to the podcast.) Smetters, who is also Wharton professor of business economics and public policy, guided PWBM senior policy analyst Brendan Novak in conducting the analysis, and helped write the policy brief.

A Fully Funded Retirement Savings Plan

PWBM has found an innovative solution to the biggest pain point of how to save enough. In its design, the retirement pool will grow with the federal government making annual contributions to the individual retirement savings accounts; households or employers are not required to make any contributions. In exchange, those individuals would give up the tax breaks they receive for investing in 401(k) retirement accounts.

The resulting boost in federal tax collections will fully finance the annual contributions to the automatic retirement savings accounts. PWBM explained how that math unfolds: In its projections under the existing dispensation, the federal government will spend about $1.25 trillion over the next decade to subsidize retirement savings in 401(k) and similar retirement plans. The government's tab for contributions to the automatic retirement savings policy could come close: PWBM projected that the government's revenue losses over 10 years would range between $1.1 trillion and $1.4 trillion across three different plan scenarios.

How Retirement Savings Accounts Grow

The PWBM analysis projected savings under its plan for three types of savers by age 65: In the first setting, a person aged 24 in 2025 with the lowest average annual income ($12,700) could have an account balance of $125,000. In the second scenario, a person aged 26 in 2025 with earned income of $27,900 could have an account balance of between $150,000 and $200,000. The third type — a saver aged 24 in 2025 who has the highest average annual earnings of $59,300 could have a retirement account balance of between $100,000 and $125,000. These account balances are for an individual; a married couple with two earners could see larger balances.

In its plan, the government would make contributions of 10% of earned income that reach a maximum of $2,000, $2,250, and $2,500 under those three scenarios, respectively; contributions are phased out at a rate of 30% starting at $50,000 of earned income. The annual federal contributions are proportional to the individual's earned income, subject to cap and phase-out based on their adjusted gross income.

Eligibility for the plan will be based on the criteria used by existing Earned Income Tax Credit program: Individuals must be between ages 25 and 64, and they must have investment income below $10,000 (based on 2020 dollars, indexed to inflation over time). For administrative efficiency, PWBM envisages it working through the EITC tax administration. The new accounts would be automatically set up if a household already qualifies for the Earned Income Tax Credit.

Shifting Benefits to Low-income Households

The PWBM plan is aimed to be equitable. Currently, retirement savings under 401(k) and similar plans mostly benefit higher-income households. The automatic retirement savings accounts will shift more of those benefits to lower-income households with little impact on retirement savings by higher-income households, it noted. "The idea was to take that money that we otherwise would have spent, and gear it toward low-income households," said Smetters.

The automatic retirement savings accounts will also help participants alleviate some of the pressure on the federal government and the programs of Social Security, Medicare, and Medicaid. "Those are now being used as primary retirement vehicles, even though they weren't set up that way originally," Smetters noted.

The Need for a New Retirement Savings Plan

Smetters explained that the hapless state of retirement savings for low-income Americans prompted PWBM to design its retirement savings plan, in addition to the depleting finances of Social Security, Medicare, and long-term care provided by Medicaid. "If all those three programs had enough money to pay for their benefits, then a lot of low-income people are probably secure because they don't need to save a lot more than that for retirement," he said. "The problem is those programs themselves are severely underfunded."

Over the years, legislative efforts to boost retirement savings have brought little respite for low-income households. For instance, the 2006 Pension Protection Act aimed to help people save more for retirement and increased protections from unscrupulous practices. But that legislation "hasn't worked at producing more assets for low-income households," Smetters noted.

Those concerns have reverberated through Congress, especially because current plans favor higher-income households. At the same time, as a nonpartisan research think tank, PWBM does not advocate for policy changes. "We're not proposing anything, saying Congress should do this," Smetters said. "We're just simply showing how it could be done."

The key to making the automatic retirement savings plans successful is disallowing early withdrawals, although it may be an unpopular feature. "Congress has to resist the urge for early withdrawal before retirement, because that will unwind almost everything here," Smetters said. Even with the Pension Protection Act, where employers can default employees into a qualified saving plan, "the evidence is overwhelming that they will tap into those assets well before retirement, often when they're changing employers," he pointed out. "You need a mechanism that basically says this is not your money until it is. And that is when you hit retirement or you pass away, in which case, even before retirement, this money can go to your heirs."

How Gen AI Could Trigger the Next CrowdStrike Catastrophe

Left unguarded, generative AI can spread misinformation and enable attackers to commit new crimes, writes Wharton's Sarah Hammer.

SARAH HAMMER

THE FOLLOWING OP-ED was written by Sarah Hammer, an executive director leading financial technology initiatives at the Wharton School and adjunct professor at the University of Pennsylvania Carey Law School. It was originally published on MarketWatch.

Cybersecurity protection company CrowdStrike's faulty software update caused a global meltdown in technology systems in July. Financial institutions experienced significant disruption, with banks, brokerage firms, and trading infrastructure suffering interruptions to online functions, operations, and access to important data.

Around the world, industries and governments were negatively impacted. In a public statement, CrowdStrike CEO George Kurtz announced that a logic error in a configuration update rolled out by the company had affected all Microsoft Windows devices, causing the "Blue Screen of Death."

While the CrowdStrike catastrophe was not a cyberattack, the calamity reminds us that technology is a double-edged sword. A clear example of this is generative AI.

Generative AI holds the potential to significantly enhance cyber threat detection, containment, eradication, and recovery by advancing automation of those processes. It can also develop more sophisticated anti-fraud tools to detect anomalies in data and reduce false positives in anti-money laundering controls.

On the other hand, generative AI can enable attackers to commit new, more refined, and increasingly diabolical crimes. McAfee reported that this began immediately with CrowdStrike, as criminals seized the opportunity to release sophisticated phishing, malware, and other fraudulent schemes.

Attackers also are using generative AI to develop more devious weapons. The technology can be leveraged to conduct social engineering (manipulating and deceiving users to gain control over computer systems), as well as build human impersonation tools. For example, in February, a finance employee was tricked into paying $25.6 million to swindlers using deepfake video technology to produce a fraudulent representation posing as the company's CFO. Deepfakes have also been used to trick facial recognition programs, impersonate celebrities, and, in this year's Indian election, sway voters.

Generative AI can also reverse engineer (disassemble and analyze) software systems to understand functionality, design, and implementation. This helps malicious actors acquire the extraordinary ability to better identify new and more threatening points of vulnerability in IT systems.

Another challenge posed by generative AI is its inherent use of enormous datasets. The data used by AI could be inaccurate or faulty, generating false or misleading information and presenting it as fact. Even more nefarious, a perpetrator could "poison" an AI model during the training phase by introducing corrupt data.

Finally, financial firms often rely on third-party AI and data providers, which have their own cybersecurity vulnerabilities. Trading and analytics software are oft-cited examples of this.

Numerous government agencies, including the U.S. Treasury and the U.S. Department of Homeland Security, have jurisdiction over these issues and have issued recommendations. Among them are many common responses: increased collaboration with the government; identification of best practices, and information-sharing among financial sector participants. While these recommendations are all worthy of attention, their implementation is easier said than done, given the secrecy surrounding how large financial firms manage and respond to cyber incidents.

Time to Act

More action is necessary. First and foremost, the U.S. should pour enormous resources into advancing its own technology, with a strong emphasis on AI, to enhance national security and combat criminals.

Second, the agencies mentioned above should clarify and coordinate existing regulations relevant to the protection and enforcement of cybersecurity. They have issued rules covering privacy, incident reporting, strategy, risk management, access controls, encryption standards, and management of third-party vendors. These government agencies must work to maximize the protective value of these existing rules and requirements.

Addressing these evolving threats also requires companies to make data governance an integral part of their DNA, encompassing crucial aspects such as data security, architecture, and integration. Effective data security involves measuring control access rights, safeguarding sensitive information, and restricting data usage to authorized personnel with legitimate needs. Data architecture focuses on optimizing data and system structures for accessibility and utility, while data integrity ensures accuracy and consistency throughout the data lifecycle.

By meticulously implementing these governance principles, organizations can enhance operational efficiency and strengthen their defenses against cyberthreats and manipulations.

AI innovators themselves must also prioritize cybersecurity. For example, Microsoft recently unveiled the "Recall" feature as part of its upcoming Copilot+ PC. After warnings from privacy and security experts, Microsoft committed to three major updates to the "Recall" feature, addressing the experts' concerns.

Finally, and importantly, cybersecurity protection must include education. Ultimately, humans are responsible for protecting our systems from attacks. Investors and advisers must become literate in cybersecurity and prevention techniques, and their education should be ongoing to stay updated with technological developments. Advisers should also learn the vulnerabilities of their systems and vendors' systems, and how these can be protected from attack. Investors should study their AI- and technology-related investments to identify whether they have a clear cyber-risk management strategy, strong data governance, and a protective mindset when innovating and updating technology.

At the corporate level, companies need hundreds of thousands more cybersecurity experts to secure their systems. To meet the demands for human expertise, cybersecurity education should be provided at four-year colleges, community colleges, vocational school, and even K-12. Educating at the K-12 level is essential, given the extent of the potential for harm at all levels. Students can become versed in new technologies, learn not to trust everything they see on social media, and focus instead on critical thinking.

There is no easy solution for cybersecurity in today's rapidly evolving AI-based landscape. Organizations must adopt a comprehensive, flexible approach combining technological solutions, robust policies, education, and unyielding vigilance to protect our digital assets effectively and maintain resilience against ever-strengthening cyber threats.

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

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

Nigeria's pension assets surge 4.17% to hit N20.48trn in Q2'2024

Stories by Cynthia Ezekwe

THE NATIONAL PENSION COMMISSION (PenCom) recently revealed that the total assets under the Contributory Pension Scheme (CPS) have increased to N20.48 trillion in the second quarter of 2024, marking a 4.17 percent rise from N19.66 trillion recorded in the first quarter of the same year.

In the same quarterly report, PenCom disclosed that the number of pension contributions grew significantly from 89,061 in the first quarter of 2024 to 100,063 in the following quarter. The regulator also highlighted that the remittance of pension contributions increased by 20.26 percent from N314.17 billion in the first quarter 2024 to N377.83 billion in the second quarter of the year.

The increase in pension contributions was attributed to the growing acceptance and participation in the CPS among Nigerians, as well as the continuous efforts by PenCom to expand the reach of the scheme.

In its remark on the economic environment during the period in review, PenCom stated: "The Nigerian economic landscape in Q2 2024 continued to experience a mix of growth and significant challenges, particularly with the rate of inflation, increasing to 34.19 per cent in June, 2024 from 33.20 percent in March, 2024.

"The increase led to an upward adjustment of the Monetary Policy Rate (MPR) by the monetary authority from 24.75 per cent in Q1 2024 to 26.25 per cent in Q2:2024. Many other factors including depreciation of the naira, sluggish agricultural productivity and increased transport costs due to fuel subsidy removal and regional instability have continued to affect the economic landscape and ultimately disposable incomes."

L-R: Lanre Shasore, public policy specialist; Ngozi Akinyele, chief marketing and communications officer, Coronation Group Limited; Grace Osime, founder, The Graks Foundation; Aigboje Aig-Imoukuede, chairman, Coronation Group Limited; Wale Edun, minister of finance and coordinating minister of the economy; Tinuade Awe, ESG consultant; Ugoma Ebilah, curator, Coronation Art Gallery; Sola Carrena, corporate finance executive; Dolores Odogwu–Edgal, director, United African Insurance Brokers, at the Coronation Art gallery exhibition where the remarkable artworks of esteemed female collectors showcased, recently, in Lagos.

Further data analysis by PenCom revealed that in the second quarter of 2024, a total of 100,063 new Retirement Savings Account (RSA) holders were recorded, with associated PINs issued to employees across various sectors in Nigeria.

The latest analysis of RSA registrations by PenCom shows that Stanbic IBTC Pension Managers Limited registered the highest number of new contributors in Q2 2024, accounting for 30.11 percent of the new registrations with 30,127 new contributors. Access Pensions Limited came second with 20.12 percent of new registrations, registering 20,137 new contributors.

ARM Pension Managers Limited, Premium Pension Limited and Leadway Pensure PFA Limited rounded off the top five PFAs with 7.97 percent, 6.31 percent and 5.68 percent of new registrations in Q2 2024, respectively.

Breaking down the RSA registrations by Pension Fund Administrators (PFAs), PenCom disclosed that the top five PFAs collectively accounted for 70.19 percent of the 100,063 new RSAs registered in the second quarter of 2024. This leaves the remaining 30.81 percent of the new RSAs registered with the other 15 PFAs, with the bottom five PFAs collectively registering only 3.71 percent of the new RSA holders during the quarter.

PenCom's report also indicated a significant development in the Micro Pension Scheme (MPS), as the quarter under review witnessed the registration of 16,624 new Micro Pension Contributors (MPCs), by 15 pension fund administrators. This brings the total number of MPCs registered from inception to 143,565, as at 30 June, 2024.

PenCom sets to overcome enrolment obstacles with new application

Cynthia Ezekwe

THE NATIONAL PENSION COMMISSION (PenCom) has announced plans to develop a new application that will address the issue of downtime during peak periods and mitigate challenges associated with last-minute enrolment.

The Commission identified the problem of enrolment application downtimes during last-minute rush, particularly by retirees and stakeholders, as a major challenge hindering the efficiency of the pension system.

Omolola Oloworaran, the acting director-general of PenCom, disclosed the commission's plans to develop a new enrolment application, while speaking at a workshop for Pension Desk Officers of Federal Government of Nigeria Treasury-Funded Ministries, Departments, and Agencies (MDAs).

Addressing the workshop participants, Oloworaran explained that PenCom has recognised the existing challenges associated with last-minute enrolment and has therefore embarked on a project to develop a new application that will enhance the efficiency of the enrolment process.

Oloworaran acknowledged the concerns surrounding downtimes experienced with the existing enrolment application. She noted that these downtimes often occur during peak periods when retirees and relevant stakeholders rush to meet enrollment deadlines, leading to delays and frustrations.

Paving the way for a more efficient enrolment process, the acting director-general expressed optimism that PenCom's new enrolment application would resolve the existing issues.

"We are confident that the new enrollment application, which has been entrusted to a consultant for design and development, will not only eliminate the downtimes but also enhance the overall user experience," she noted.

Oloworaran reaffirmed PenCom's ongoing commitment to continuous service improvement, highlighting the commission's dedication to ensuring that contributors and retirees receive the best possible experience in pension matters.

She also reassured pensioners that PenCom will work closely with the pension desk officers to ensure the success of the 2024 online enrolment exercise, slated to commence on October 7, 2024.

Guinea Insurance grows revenue 49.4% to hit N2.07bn in 2023

Cynthia Ezekwe

GUINEA INSURANCE PLC, A LEADING composite insurance provider, reported a 49.4 percent increase in its insurance revenue, rising from N1.36 billion in 2022 to N2.07 billion, according to its full year 2023 financial results.

Guinea Insurance Plc attributed the impressive performance to the successful execution of its strategic initiatives, which were designed to increase market presence and enhance customer satisfaction.

"The revenue surge reflects Guinea Insurance's commitment to product diversification, improved customer service, and market expansion. The company's innovative insurance solutions tailored to diverse customer needs have played a key role in this success" the company stated. The insurer further reported a turnaround in its profit after tax (PAT), posting a profit of N477.7 million for the full year 2023, compared to a loss of N83 million recorded in 2022.

Despite the increase in claims incurred, which rose from N199.3 million in 2022 to N549.6 million in 2023, a growth of 176 percent, the company was able to maintain profitability and deliver a positive result for the year.

Guinea Insurance Plc strong financial performance was further bolstered by an increase in its solvency margin, which grew by 58.6 percent from N2.2 billion in 2022 to N3.49 billion in 2023.

The insurer also reported a 673 percent increase in profit for the year, coupled with a 13.3 percent rise in insurance service revenue, which grew from N594 million in 2022 to N673 million in 2023. Ademola Abidogun, managing director/CEO of Guinea Insurance, commented on the company's revenue growth, stating, "This exceptional revenue growth underscores our agility and innovation in addressing customer needs. We are excited about the future and encourage both current and prospective clients to explore our offerings."

Qatar Airways is official airline partner of UEFA Champions League

QATAR AIRWAYS HAS ENTERED INTO PARTNERSHIP with the UEFA Champions League in a deal that runs until 2030, further solidifying its mission in uniting people through the power of sport.

Voted the "World's Best Airline" in 2024, by Skytrax, the partnership builds on the success of sponsoring UEFA EURO 2020 and UEFA EURO 2024 in an agreement which includes sponsorship rights to the UEFA Super Cup, UEFA Youth League and UEFA Futsal Champions League.

Known for its electrifying competition and showcase of top tier talent, the UEFA Champions League captivates millions of football fans around the world each season. This premier tournament not only represents the pinnacle of European club football but also embodies the values of excellence, perseverance, and international unity principles that resonate deeply with Qatar Airways' own mission and values.

The new UEFA Champions League format features a thrilling 36-team league

Continues on page 29

MARKET COMMENTARY FOR THE WEEK ENDED 20TH SEPTEMBER, 2024

Focus for the week: Zenith Bank H1'24 Earnings - Trading Income to strengthen FY'24 performance

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,648.90	3,609.40	1.09	30.77
NGX All-Share Index	98,247.99	97,456.62	0.81	31.39
Market Cap (NGN bn)	55,577.00	55,129.33	0.81	35.82
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	19.77	18.01	9.78	16.86
182-Day T-Bill	21.48	21.57	(0.00)	16.05
364-Day T-Bill	22.33	22.42	(0.00)	12.12
2-Year FGN Bonds	19.24	19.15	0.00	7.00
3-Year FGN Bonds	19.15	19.13	0.00	7.00
5-Year FGN Bonds	18.15	19.58	(0.07)	4.85
7-Year FGN Bonds	18.03	18.02	0.00	4.23
10-Year FGN Bonds	18.77	18.77	0.00	4.26
20-Year FGN Bonds	17.25	17.25	(0.00)	3.05
INTERBANK MARKET RATES (%)				
NIBOR OPR	26.75	31.25	(4.50)	11.69
NGN EXCHANGE RATES (₦)				
USD/NGN	1541.52	1546.41	0.32	(76.17)
GBP/NGN	1088.56	1904.87	0.32	(74.07)
EUR/NGN	1680.26	1685.59	0.32	(69.50)
CNY/NGN	215.81	216.50	0.32	(70.39)
ZAR/NGN	84.76	85.05	0.32	(72.85)
USD/NGN FORWARDS				
1M	1639.46	1668.65	1.75	(68.10)
3M	1713.67	1738.23	1.41	(72.36)
6M	1812.71	1838.87	1.42	(77.30)
1Y	2019.55	2052.05	1.58	(85.78)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	911.43	1.26%	1.59%
CONSUMER GOODS	1,567.17	-0.77%	39.76%
INDUSTRIAL GOODS	3,849.41	-0.13%	41.93%
OIL & GAS	1,927.59	0.02%	84.80%
VETIVA 30 ETF	35.80	0.14%	32.59%
INSURANCE	415.25	0.86%	29.10%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
CAVERTON	3.69	59.74%
FIDELITYBK	13.60	24.20%
FIDSON	15.95	21.76%
VITAFOAM	22.00	21.55%
MEYER	7.05	20.93%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
NNFM	35.35	-18.97%
MECURE	7.65	-16.58%
TANTALIZER	0.61	-14.08%
[illegible]	101.60	-9.93%
ABBEYBDS	2.38	-9.88%

FOR THE HALF-YEAR PERIOD, the Bank reported a 117% y/y jump in Gross Earnings to ₦2.1 trillion. This improvement was driven by a 177% and 74% y/y growth in Interest Income and Non-Interest Revenue (NIR) to ₦1.1 trillion and ₦899 billion, respectively. Interest Income growth was spurred by the bank's loan book expansion (+84% y/y), and the effective repricing of its assets, given the impact of prevailing interest rates. Similarly, Non-Interest Revenue (NIR) was supported by a 7X y/y growth in trading income.

On the flipside, the Bank's Interest Expense rose by 183% y/y to ₦434 billion (Vetiva: ₦398 billion), a reflection of higher cost of funds, given the prevailing rate environment (H1'24: 4.4%, H1'23: 2.6%). Consequently, Net Interest Income printed at ₦715 billion (+173% y/y).

On the cost front, Impairment charges rose by 100% y/y to ₦415 billion, while Opex grew by 115% y/y to ₦472 billion, amidst prevailing macroeconomic headwinds. Overall, the Bank posted a 114% increase in PBT to ₦749 billion, while bottom line expanded by 106% y/y to 577 billion.

Trading Income to strengthen FY'24 performance

For FY'24, we have revised our Interest Income expectation to ₦2.5 trillion (Previous: ₦2.3 trillion), reflecting a stronger loan book expansion amid the current high-interest rate environment. Similarly, we have revised our Interest Expense forecast to ₦1.1 trillion (Previous: ₦900 billion) to account for the higher cost of funds. This will result in a Net Interest Income of ₦1.4 trillion.

Additionally, we've raised our Non-Interest Revenue (NIR) projection to ₦1.5 trillion (Previous: ₦838 billion), anticipating higher gains on investment securities, which will bolster trading income. On the cost side, we expect inflationary pressures to drive up operating expenses, leading to a projected Opex of ₦857 billion.

TP revised to ₦55.00 (Previous: ₦52.00)

Overall, our revised estimates for FY'24 yields a Profit Before Tax (PBT) of ₦1.2 trillion and a Profit After Tax (PAT) of ₦1.1 trillion. This translates to an Earnings Per Share (EPS) of ₦34.86 (FY'23: ₦21.56) and a projected Dividend Per Share (DPS) of ₦5.00 (FY'23: ₦4.00)

What shaped the past week?

Equities: The local market closed in the green this week, extending last week's green close. The ASI gained 81bps to close at 98,247.99 points, as investors' sentiments were cautious but opportunistic. At the close of the week, there was mixed sectoral performance. The banking sector (+1.26% w/w) closed as the best performer, lifted mostly by gains in tier-2 banks such as FIDELITY (+24.20% w/w), ETI (+11.11% w/w), WEMABANK (+6.25% w/w), and FCMB (+5.26% w/w). This was closely followed by the Insurance space (0.86% w/w) which has seen sustained positive investors sentiments. Top gainers in the space were SUNUASSUR (+14.52% w/w) and LINKASSURE (+5.10% w/w). The Oil & Gas sector posted a marginal gain (+0.02% w/w), as major players experienced mixed performance during the week. On the other hand, the Consumer Goods index (-0.77% w/w) saw the most decline, as INTBREW lost 5.78% w/w. Finally, the Industrial Goods sector saw a mild decline of 0.13% w/w as JOHNHOLT lost 9.74% w/w

Fixed Income:

Market traded on a mixed note this week. While negative system liquidity due to elevated borrowings at the SLF window caused bearish sentiments on some benchmark instruments, coupon inflows during the were able to spur bullish cares on some other short- and medium-term instruments, as well lower interbank lending rates. OPR closed the week at 26.75% (-450bps w/w). In the secondary market, yield movements were seen on the 91-Day bill (+978bps) and 5-year note (-7bps). Other instruments closed the week flat despite the intra-week volatility experienced.

Currency: At the end of the week, the Naira appreciated by ₦4.89 w/w to close at ₦1,541.52 per dollar.

Domestic Economy: In August, annual headline inflation moderated to 32.15% y/y (Jul'24: 33.40% y/y). The descent can be attributed to high base effects and the harvest season. On a month-on-month basis, headline inflation declined to 2.22% (Jul'24: 2.28% m/m). Due to the harvest season, food inflation moderated while the scarcity of Premium Motor Spirit (PMS) led to a surge in core inflation. While we recognize the significant decline in the prices of some staple food items during the ongoing harvest season, we see room for a mild uptick in inflation to 32.27% y/y in September on the strength of fading base effects and higher transport costs. Following two months of consecutive decline in inflation, we believe the apex bank could keep all policy rates constant at its September rate decision meeting.

Global: Wall Street's main indexes eased on Friday, as investors held back after a rally in the previous session that was sparked by an oversized interest rate cut by the Federal Reserve. The S&P 500 and the Dow hovered near their record highs and were on track for weekly gains of about 1%, along with the tech-heavy Nasdaq. The Dow Jones Industrial Average fell 0.17% to 41,955.45, the S&P 500 lost 0.36% to 5,693.11, and the Nasdaq Composite lost 0.47% to settle at 17,932.00 ppts. European markets closed lower on Friday as investors digested a slew of central bank rate decisions this week and their impact on the global economy. The pan-European Stoxx 600 index closed 1.45% lower to 514.26 points, reversing Thursday's upbeat performance as most sectors fell into the red. The FTSE also closed lower by 1.19% to 8229.99 points. Finally in Asia, The Bank of Japan kept its benchmark interest rate steady at around 0.25% — the highest rate since 2008 — at the conclusion of a two-day meeting Friday. China also kept its key lending rates steady, with the one-year loan prime rate at 3.35%, and the five-year LPR at 3.85%. However, Friday's trading was influenced by the US rate cuts. As a result, Japan's Nikkei 225 added 1.53% to close at 37,723.91 points. The broad-cased Topix gained 0.97% to 2,642.35 points. Hong Kong's Hang Seng index

was up 1.27% to 18258.57 points, while Mainland China's CSI 300 edged 0.16% higher to 3,201.05 points.

What will shape markets in the coming week?

Equity market: The ASI ended with a solid w/w gain for the second straight week, as investors reacted to the corporate earnings report, primarily from the banking space. However, we expect investor sentiment remains cautiously optimistic, ahead of next week's MPC meeting, where the CBN will announce its interest rate decision.

Fixed Income: We expect the markets to open on a cautious note next week, as many traders will be on the sidelines awaiting

rate directions from the Bond auction and MPC meeting scheduled for Monday. We also expect liquidity to significantly impact market, as more coupons and FAAC inflows are expected next week. Finally, we see the possibility of an OMO auction in order to prevent the system from being awash with liquidity.

MONEY Nuggets

TUNDE OYEDOYIN

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

Make cost cutting your business like John Lewis

THE EVENING Standard of Thursday, September 12, had a report titled: "John Lewis cuts first-half losses after turnaround."(p.26). It contained how the leading partnership and its Waitrose arm nearly halved its pre-tax losses of £59 million to £30 million on revenues of £5.2 billion for the six months to July 27.

Though things were tough and sales reported to have been 'down by 3% to £2 billion' in what they described as a 'challenging market,' and which thereby caused their 'operating losses' to rise 'by £24 million to £45 million,' there was nevertheless an increase in customer numbers by '2% to 13.6 million.'

Despite that, John Lewis group attributed their recovery to the Waitrose arm of the business. Sales there increased by five percent to £3.9 billion. This caused their 'adjusted operating profit' to increase by '£75 million to £113 million.'

It's worth mentioning that the group noted that the losses on the John Lewis side were partly due to increased investment in stores. That being said, they have pulled themselves out of the woods and are even confident of a "positive" Christmas trading coupled with"significantly higher profits." According to its chief executive officer, Nish Kankiwala, "these results confirm that our transformation plan is working."

Here's the takeaway for us — make cost-cutting a personal mission of yours. Like John Lewis, you may have taken some hits in one aspect of your personal finance in the first half of the year, either through investing in your future career and skills development or embarking on a project that dragged you into the red, let's take a cue from the group. Figure out what your transformation plan will be and start putting the same to work .

It could be having to work harder and smarter and not biting more than you can chew. Your transformation plan and loss cutting plan may mean you're simply going to be paying down debt or withdrawing from over committing your financial muscle.

Do whatever is needed, even if it means being thrifty. If, like John Lewis, you invested in up-scaling your skills or some technology, you need to aggressively seek for how to turn those skills and technology around and start earning. Have a plan in place to have an impressive outcome in this second half of the year like Britain's leading partnership.

An evening celebrating a colleague's milestone

While the world's fastest women were lining up for the Olympics 100 metres final at the Stade de France in the evening of the first Saturday of August, my colleague, Olabisi Omole, had a different idea.

She had her family, loved ones and friends gathered around her at the Cosmos restaurant at the Brewery in Romford for dinner. Though she clocked sixty on August 1, the celebration of reaching the milestone was that Saturday. As it turned out, it was even a buffet.

Marking her diamond jubilee birthday celebration there wasn't cheap, though. But as mentioned last week, putting something aside to celebrate your milestone makes plenty sense.

The old girls of her secondary school were there to make some noise and sing: "For she's a jolly good fellow, for she's a jolly good fellow…" And so say all of us, there.

Access Holdings sees 133.5% revenue growth in H1'24 to N2.2trn

Business a.m.

ACCESS HOLDINGS PLC, ONE of Nigeria's leading financial heavyweights, has proven its mettle yet again by delivering a triple-digit punch to its profitability metrics. In a display of financial fortitude, the group's gross revenue skyrocketed 133.5 percent year-on-year, from N940 billion in half year 2023 to N2.2 trillion in half year 2024, buoyed by stronger interest and non-interest earnings.

The financial performance, which speaks volumes about the group's unwavering resilience, commitment to sustainability and drive to generate long-term value for shareholders, was revealed in the recently released audited financial results for the period ended 30 June 2024.

Access Holdings' financials made available to Business a.m, reveal an unprecedented growth across all key balance sheet indicators. From its solid banking operations spanning twenty-two markets on four continents to its non-banking subsidiaries including Access Pensions, Hydrogen Payments, and Access Insurance Brokers, the group showcased a level of diversification that is the envy of its peers, ensuring a healthy and robust financial position even in the face of market turbulence.

Access Holdings' financial prowess was on full display in half year 2024, with total assets swelling to N36.5 trillion and shareholders' equity rising to an equally impressive N2.8 trillion, representing year to date growth of 37.1 percent and 29.8 percent respectively.

Driven by organic growth and strengthened by the impact of foreign currency-denominated loans, Access Holdings Plc's customer deposits appreciated 31.3 percent from N15.3 trillion in December 2023 to N20.1 trillion by half year 2024.

Similarly, gross loans and advances soared to N12.3 trillion, a 37.6 percent increase from the previous year-end figure of N8.9 trillion.

Access Holdings' interest income went into overdrive, blasting past the N1 trillion mark with a 142 percent growth from N606.8 billion in half year 2023 to N1.47 trillion in half year 2024. This was fueled by a combination of risk asset expansion and savvy pricing strategies.

The group also witnessed a 117 percent surge in non-interest income, rising from N333.4 billion in half year 2023 to N723.6 billion by half year 2024.

Access Holdings continued its positive streak with a 108.2 percent jump in profit before tax, skyrocketing from N167.6 billion in half year 2023 to N348.97 billion by half year 2024. The group's profit after tax followed suit, soaring by an equally impressive 107.7 percent, from N135.4 billion to N281.3 billion over the same period.

The impressive financial performance was further reflected in the group's earnings per share (EPS), which exploded by 103 percent, shooting up from N3.74 in half year 2023 to N7.58 in half year 2024.

The financials showed that Access Holdings displayed its trademark financial discipline as it maintained a steadfast cost-to-income ratio (CIR) of 60.4 percent in half year 2024, despite a turbulent economic landscape characterised by double-digit inflation and currency devaluation.

The group explained that the increase in operating expenses was primarily from ongoing IT upgrade and integration, double-digit growth in AMCON levy and NDIC premium which increased by 63.1 percent and 37 percent, respectively, and will normalise in the second half of the year, inflation-related cost-of-living adjustments, higher energy expenses, and the currency conversion impact of subsidiaries' operating costs.

Access Holdings Plc also demonstrated its unwavering commitment to maximising value for its shareholders, as it announced a robust 45 kobo per share interim dividend for half year 2024, representing a 50 percent increase from the 30 kobo dividend declared in the previous half year.

In a similar upward trajectory, Access Holdings Plc's banking group showcased its enduring strength and resilience in half year 2024, delivering robust year-on-year growth across all performance metrics, despite the challenging operating environment and the Central Bank of Nigeria's (CBN) tight monetary policy stance. The banking group's success was driven by strong contributions from both interest and non-interest income, which together fueled an impressive growth in gross earnings

Notably, the bank's net interest income was up 131 percent from N232.2 billion in half year 2023 to N536.7 billion in half year 2024. The financials also showed that fees and commissions increased by 94 percent year on year from N119.8 billion to N232.5 billion from higher transaction volumes on Access Bank's digital channels, credit related fees and card payments.

The banking group subsidiaries were also significant, contributing 55 percent to the group's Profit Before Tax (PBT), demonstrating the significant impact of their operations and growing importance in driving overall profitability. Year-on-year, their PBT performance grew by 218 percent from N63.3 billion to N201.7 billion.

"As part of our ongoing strategic expansion beyond Nigeria, we have successfully completed the full integration of the merged entities in Zambia and Tanzania operations. These developments not only enhance our presence in key markets but also create significant value by expanding our customer base, strengthening cross-border banking capabilities, and fostering increased operational efficiency across our subsidiaries," the company noted.

Access Holdings Plc's proactive risk management approach in half year 2024 ensured that all regulatory ratios remained well within prescribed limits, keeping its non-performing loan (NPL) ratio at a lean 2.72 percent, well below the regulatory limit of five percent.

The group's robust capital position was further validated by its Capital Adequacy Ratio (CAR) of 19.8 percent, while loan-to-funding and liquidity ratios both exhibited notable improvements, reaching 63.9 percent and 57.2 percent respectively.

Access Holdings noted that its non-banking subsidiaries have been on a consistent growth path, with Access Pensions leading the charge with a 162.1 percent increase in Assets Under Management (AUM) from N1.1 trillion in December 2023 to N2.9 trillion in the first half of 2024. The phenomenal growth, the company explained, was powered by organic expansion of its Retirement Savings Account (RSA) base, new pension mandates, and the strategic benefits of the ARM Pensions merger, positioning Access Pensions as a premier pension service provider.

The company stated: "As a result, Access Pensions has positioned itself as one of the top two largest pension fund administrators (PFAs) in Nigeria, with over 2.8 million RSA accounts. Furthermore, the operating income for the pension business saw a substantial increase of 190%, climbing from N5.6 billion in H1 2023 to N16.2 billion in H1 2024."

Access Holdings Plc's Hydrogen Payments also proved to be a game-changer, delivering 1,871 percent growth in top-line revenue compared to H1 2023. Bolstered by its exceptional performance, the subsidiary processed a 306 percent increase in total payment volume (TPV), reaching N13.8 trillion in H1 2024, a remarkable jump from the N3.4 trillion recorded in H1 2023.

According to the group, 90 percent of the transactions were processed through the Hydrogen switching platform, underscoring its reliability and dependability, particularly for small businesses across Nigeria. This is as the platform's ability to handle large transaction volumes with minimal downtime improved its operational efficiency, contributing to a stronger profit outlook for the group.

Access Holdings Plc's Access Insurance Brokers subsidiary also made waves, posting an 83 percent increase in gross premiums written and a 60 percent surge in commission income, while gross written premiums jumped from N2.3 billion to N5.9 billion by half year 2024.

In its outlook for the rest of the year, Access Holdings Plc has set its sails towards continued growth, expressing firm confidence in its ability to outpace the impressive performance recorded in the first half of the year as it sails into the second half.

The group noted that its strategic focus on scaling non-banking segments, bolstering its digital presence, and strengthening its foothold in high-growth markets across Africa and beyond will continue to propel its diversification efforts, ensuring a more balanced and sustainable revenue stream that will result in long-term value creation for its shareholders.

Access Holdings Plc, also stated that it is wasting no time in its quest for technological advancement and operational excellence, pressing the fast-forward button on the completion of its technology infrastructure upgrades, which will turbocharge operational efficiency across the group.

This comprehensive technological transformation, the group explained, will not only strengthen its digital capabilities, enabling it to provide top-notch services to its customers, but also drive synergies and cost optimisation throughout the organisation.

"Our strategic focus on non-banking segments, digital expansion, and geographic diversification will continue to create lasting value for shareholders, positioning the group to capitalise on emerging opportunities and sustain growth in the long term," the group stated.

L-R: Jiapei Yan, director, partnerships and market expansion, PalmPay; Jacky XIA, group chief executive, PalmPay Worldwide; Wole Adeniyi, chief executive, Stanbic IBTC Bank; Fei Wong, country manager, PalmPay; and Lily Jin, operations lead, PalmPay, during a courtesy visit to the Stanbic IBTC Towers head office in Lagos recently.

StanChart touts blended finance as key driver of sustainable

Onome Amuge

STANDARD CHARTERED BANK has advocated for the adoption of blended finance in Nigeria, urging policymakers to leverage catalytic capital from public or philanthropic sources to attract private sector investment towards achieving the Sustainable Development Goals (SDGs).

Blended finance, according to industry analysts, is the use of catalytic capital from public or philanthropic sources to increase private sector investment in sustainable development.

Roberto Hoornweg, co-head of corporate & investment banking at Standard Chartered Bank, highlighted the pivotal role blended finance has played in stimulating investments in critical sectors such as renewable energy and infrastructure, especially in emerging markets.

Hoornweg noted that the significant volume of blended finance deals flowing into sub-Saharan Africa, including Nigeria, is a testament to the potential of this innovative approach in tackling the funding gap for SDGs in the region.

With over 40 percent of global blended finance deals being channelled into the SSA region, Hoornweg emphasised that the region presents a significant opportunity for catalytic capital to be leveraged, driving further investment towards SDG-aligned projects and initiatives.

Hoornweg noted that Nigeria can benefit greatly from the deployment of blended finance, much like other developing countries have successfully done in their drive towards addressing critical issues such as poverty alleviation and infrastructure development.

Drawing parallels to South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), he pointed out that Nigeria can similarly attract private investment by mitigating risks through government-backed guarantees and development loans.

This approach, he stated, has been instrumental in fostering clean energy and transport projects in countries across the world, with Nigeria standing to gain significantly from adopting a similar strategy.

While emphasising the promise of blended finance in driving sustainable development and attracting private investments, Hoornweg cautioned that Nigeria must first address its existing governance, legal framework, and transparency challenges to create a favourable investment environment.

Addressing these critical issues, he opined, is crucial to prevent potential risks from dissuading private investors, thus hampering the country's ability to leverage blended finance towards achieving its SDG objectives.

Poultry industry stumbles in Nigeria as operational costs take heavy toll on farmers

Stories by Onome Amuge

THE POULTRY SECTOR IN NIGERIA, RENOWNED for its robust commercialisation, is a vital pillar of the livestock subsector, boasting a staggering population of 563 million birds and accounting for more than a quarter of the country's agricultural GDP. However, the industry's success has recently been jeopardised by the combination of rising insecurity and unpredictable weather patterns, which have profoundly affected crop production, causing an unprecedented surge in feed prices and casting a looming shadow of uncertainty over the sector's survival.

The astronomical cost of feed, which constitutes a significant chunk of production expenses, has left poultry farmers in Nigeria struggling with diminishing profit margins. This situation has led many farmers to downsize their operations or quit altogether, resulting in high number of job losses across the industry.

According to the Poultry Association of Nigeria (PAN), the sector has experienced a debilitating loss of 25 million jobs over the past four years.

Furthermore, consumers are now facing the adverse effects of this crisis, with the prices of poultry products skyrocketing, which has become a cause for concern among Nigerians.

Despite the federal government's waivers for maize importation, the production cost for chicken feed remains prohibitively high, threatening a further collapse of the industry. Maize is a primary ingredient in feed production for birds.

As feed prices climb, poultry farmers have had no choice but to pass on the additional costs to their consumers, leading to a marked increase in the prices of eggs and chicken. The rise in prices of these essential sources of protein has become a source of great concern in a country already contending with rampant poverty. Added to this is the issue of foreign exchange shortages, which hinders the importation of vital inputs, further threatening the stability of the poultry sector.

Recent market trends have revealed a significant hike in chicken and poultry product prices over the past two years. According to current market reports, a crate of eggs now sells at between N5,000 and N6,000, with individual eggs costing anywhere from N150 to N200, depending on their size.

Similarly, chicken feed prices have skyrocketed, becoming exorbitant over a short period. This is as a 25kg bag of Growers Mash (Hybrid Brand), which previously sold at N5,000, is priced at N8,000 and above at the time of filing this report.

The tough business environment has left poultry farmers in Nigeria struggling to stay afloat, as confirmed by Omidokun Oyekunle, the chairman of the Poultry Association of Nigeria, Oyo State chapter.

Oyekunle shared a heartbreaking insight, revealing that nearly half of the poultry farmers in the state have been forced to abandon their businesses due to the insurmountable challenges they face.

Expounding on the struggles faced by poultry farmers in Oyo State, Oyekunle, revealed in an interview with the News Agency of Nigeria (NAN) in Ibadan that one of the key challenges confronting these farmers is the elevated cost of poultry feeds, with maize and soybeans, which are essential constituents of poultry feed production, proving to be the major sources of the rising costs.

In his words: "Majority of poultry farmers are no longer using the new maize because of its moisture content; it will affect production and the eggs of the birds."

"What those who are using it do is that they grind it, spread it and wait for about five days and even add some preservatives, but the weather is not favourable,"

"This is a major problem confronting us, especially when you look at the production cost and the amount we sell eggs. You will find out that there is no enough profit margin to keep the business running and that is why poultry farmers are closing down and cost of eggs increasing."

Oyekunle did not shy away from mentioning that the influx of frozen chicken imports was negatively affecting the prices of locally produced chicken in the market, warning that this trend must be halted to ensure the sustainability of the poultry industry in Nigeria.

However, he commended the federal government's decision to allow the importation of maize, expressing hope that this would eventually lead to a reduction in production costs and encourage more people to return to the poultry sector.

Recent reports reveal that the federal government has given the green light for the importation of approximately 100,000 metric tonnes of maize from Argentina as part of an effort to support the struggling poultry industry. Despite this development, poultry farmers maintain that the cost of feed and poultry drugs remains the most pressing issue plaguing the sector.

Feeling the strain of rising feed costs, poultry farmers have expressed dissatisfaction with the current system of importation, with allegations that only a handful of individuals are granted licenses for importation, and that these importers are primarily concerned with maximising profits rather than meeting the needs of farmers.

Mojeed Iyiola, chairman of the Poultry Association of Nigeria's Lagos chapter, also voiced his concern in a report, stating that the licenses for the importation of maize are granted only to a chosen few, who selfishly prioritise their own profits over the needs of the poultry farmers and feed processors.

According to Iyiola, even when these few importers sell their imported maize to poultry farmers and feed processors, they offer no concessions, charging the same prices as the open market, leaving poultry farmers without any relief from the high cost of feed.

On the other hand, Kabir Ibrahim, president of the All Farmers Association of Nigeria (AFAN), corroborated that the poultry sector had indeed received a helping hand in the form of the importation of approximately 100,000 metric tonnes of maize, intended to offset the scarcity of maize in the local market.

He also noted that maize was recently granted a zero tax waiver on importation by the federal government, providing some respite to the beleaguered poultry industry.

Ibrahim brought attention to the pressing challenges besetting the poultry sector in Nigeria, with particular emphasis on the skyrocketing costs of feed production and poultry drugs.

Addressing these challenges, the AFAN president urged the government to provide sustainable subsidies for feed and drugs, noting that such a move, combined with the reactivation of school feeding programmes, would provide a much-needed boost to the poultry industry.

Joshua Onuche, a poultry farmer and CEO of Layonder Farms in Nasarawa State, provided a firsthand account of the challenges confronting poultry farmers in Nigeria. Despite the current high prices of eggs, Onuche explained that the cost of production is so high that farmers are still not getting a fair return on their investment.

"Despite the current high prices of eggs, when you consider the enormous expenses incurred during production, from the cost of poultry feed, micro ingredients, electricity, transportation, water, and many more, you realize that we are still not getting a good return on our investment," Onuche lamented.

Onuche further disclosed that his business has been dealt a severe blow by the soaring costs of poultry feed over the past year.

According to him, the escalating prices of poultry feed have been driven by the continuous increase in prices of key ingredients such as maize and soybeans in the market, creating a vicious cycle for poultry farmers like himself.

Onuche underscored the vital role that the government must play in securing the future of the poultry industry in Nigeria, emphasising the urgent need for increased support for farmers, researchers, and extension agents to stimulate local crop production and, in turn, boost the profitability of the sector.

"Empowering these key stakeholders will result in improved yields of maize and other crops used in poultry feed production, reducing our reliance on expensive imports and alleviating the burden of high feed costs," he added.

Oil up in second consecutive week as investors take stock of Fed rate cuts

OIL PRICES ENDED THE week on a softer note, falling slightly from recent gains, but not before recording their second consecutive week of gains.

The drop in prices was partially offset by the U.S. Federal Reserve's interest rate cut, which boosted the demand outlook for oil. Meanwhile, a reduction in U.S. supply further lent support to the oil market.

Despite the increase in prices over the past week, the slowdown in China's economy, the world's largest consumer of commodities, acted as a price ceiling.

While oil prices dropped slightly by the end of the week, they still recorded more than four percent gains for the week as a whole.

The recent rebound in prices comes after Brent had dipped below $69 per barrel for the first time since nearly three years ago on September 10, owing to concerns over global economic growth and potential oversupply.

Ole Hansen, head of commodity strategy at Saxo Bank, weighed in on the recent fluctuations in oil prices, commenting that the market concluded that sub-$70 oil prices, alongside hedge funds' record low confidence in higher prices of crude and fuel products, would only be justified by a recession—a risk that the recent significant U.S. interest rate cut helped alleviate.

Buoyed by the U.S. Federal Reserve's decision to slash interest rates by a substantial 0.5 percent on Wednesday, oil prices rallied more than one percent on Thursday.

In general, interest rate reductions have a stimulatory effect on the economy, spurring economic activity and, in turn, driving up energy demand. However, some analysts have expressed concerns about potential weakness in the U.S. labor market, which could hamper overall economic growth and, consequently, dampen the demand for oil.

UBS analyst Giovanni Staunovo opined that the recent U.S. interest rate cuts have positively impacted market sentiment, weakened the value of the dollar, and bolstered crude prices this week.

Staunovo also noted that it takes time until rate cuts support economic activity and oil demand growth, indicating that while the lower interest rates may have initially buoyed the market, it will take some time for the effects to trickle down and meaningfully impact economic growth and oil demand.

Fueling the upward momentum of oil prices were also the rising tensions in the Middle East, with a potential supply disruption looming. Israel's announcement that it had killed a senior Hezbollah commander and other prominent figures in the Lebanese movement in an airstrike on Beirut has increased concerns about the possibility of a wider conflict, which could disrupt the flow of oil in the region.

The Chinese economy showed signs of weakness, as refinery output declined for a fifth consecutive month in August, and industrial output growth hit a five-month low.

Adding to the downward pressure on oil prices was China's issuance of its third and presumably final batch of fuel export quotas for the year.

StoneX Analyst Alex Hodes commented in a note that this move indicates that refinery margins are too weak to justify increased activity.

This trend was not confined to China alone, as oil refiners across Asia, Europe, and the U.S. faced a decline in profitability to multi-year lows.

Stories by Onome Amuge

Gold charges past $2,600 as Fed Rate cut bets sustain record-breaking rally

GOLD PRICES SURGED TO a record-breaking high of $2,620 per ounce on Friday, extending a bullish rally driven by market expectations of further U.S. interest rate cuts and geopolitical unrest in the Middle East.

Spot gold prices rose 1.3 percent to reach $2,620.63 per ounce, while U.S. gold futures concluded a session of trading at $2,646.20, 1.2 percent higher than the previous day's close.

The latest rally in gold prices received a significant boost after the Federal Reserve, in an aggressive easing cycle, reduced interest rates by a half-percentage-point during the week.

With gold paying no interest, this policy of the Fed added to the metal's appeal. Gold prices have risen by 27 percent in 2024, the biggest annual rise since 2010, as investors also sought to protect their portfolios against risks arising from ongoing conflicts in the Middle East and elsewhere.

Despite the historic rally, analysts suggest that the surge in gold prices could be vulnerable to a correction.

According to Daniel Ghali, a commodity strategist at TD Securities, there's still some buying activity associated with the Fed's decision to initiate their easing cycle with a significant cut.

However, Ghali noted that the source of this buying activity is not yet evident, as ETF inflows are relatively modest and Asian buyers remain reluctant to purchase, all signs of extreme positioning.

As gold prices soared to unprecedented heights, retail demand in top consuming nations such as China and India was significantly impacted.

In a research note, Commerzbank observed that the rally in gold prices should not go on forever, given the expectations of rate cuts of only 25 basis points at the next two meetings of the Federal Reserve.

Nevertheless, some analysts suggested that gold prices could witness further spikes, despite the potential for a correction after the meteoric rise.

Fawad Razaqzada, an analyst at Forex.com, suggested in a note that "Geopolitical risks, such as the ongoing conflicts in Gaza, Ukraine, and elsewhere, will continue to fuel gold's appeal as a safe-haven asset."

Analysts also pointed out that gold's rally was bolstered by the continued weakness in the U.S. dollar, which made gold more affordable for holders of other currencies.

It is believed that the combined factors of geopolitical tensions and a weakening dollar acted as powerful tailwinds for gold, contributing to its record-breaking rally.

Silver prices also climbed, with spot silver gaining 1.2 percent to reach $31.16 per ounce, mirroring gold's upward trajectory.

Meanwhile, platinum prices fell by 1.1%, trading at $978.50 per ounce, while palladium prices dipped 0.5 percent, settling at $1,074.84 per ounce, indicating divergent trends within the precious metals market.

L-R: Nana Shettima, wife of the vice president; Oluremi Tinubu, first lady; Olufolake Abdulrazaq, wife of the governor of Kwara State; Abubarka Kyari, minister of agriculture and food security; and Aliyu Abdullahi (3rd right), minister of state for agriculture and food security, during the official launch of Young Farmers Club, Nigeria, at the Presidential Villa in Abuja recently.

Sugar soars as Brazil's sugarcane crops fall prey to drought, fires

SUGAR PRICES SURGED HIGHER, extending the week's parabolic rally to reach multi-month highs. This is as October NY world sugar futures closed at a six-and-three-quarter-month high, while December London ICE white sugar futures settled at a two-and-a-half-month peak.

The October NY world sugar contract ended Friday with a 0.73 cent (+3.33%) increase, while the December London ICE white sugar contract added 16.30 points (+2.87%) to its closing value.

The severe drought conditions in Brazil, which have placed the country's sugarcane crops in jeopardy, have had a significant impact on sugar prices, which have been skyrocketing since the start of the week.

Sugar prices accelerated their ascent on Friday, after Rabobank reduced its forecast for Brazil's 2024/25 sugar production to 39.3 million metric tonnes (MMT) from a previous projection of 40.3 MMT.

The upward trajectory of sugar prices was bolstered this week by fund buying, which was largely driven by the latest climatic forecasts from Climatempo. The meteorologist has indicated that Brazil's sugar-producing areas will continue to suffer from hot and dry conditions until next week, exacerbating the already severe drought and excessive heat in the region.

In the top sugar-producing state of Sao Paulo, these extreme weather conditions have led to widespread fires, which have caused considerable damage to sugarcane crops.

According to a statement released by Orplana, a prominent sugar cane industry group, Sao Paulo was hit by as many as 2,000 fire outbreaks, which wreaked havoc on up to 80,000 hectares of planted sugarcane.

In a further analysis of the situation, Green Pool Commodity Specialists estimated that the devastating fires may have resulted in the loss of as much as 5 MMT of sugar cane, an amount that is potentially significant enough to affect global sugar prices.

Sugar prices were further supported by a projection released on August 30 by the International Sugar Organization (ISO).

The ISO forecasted a global sugar deficit of -3.58 MMT for 2024/25, a significant increase from the estimated -200,000 MT deficit for 2023/24. In addition, the ISO projected that the global sugar production for 2024/25 would drop by 1.1% year-on-year, from 181.3 MMT in 2023/24 to 179.3 MMT.

Sugar prices were given yet another boost by a decision made by India's Food Ministry on August 30.

The ministry lifted the restrictions placed on sugar mills for the 2024/25 year that began in November, allowing them to produce ethanol using sugarcane. This move is expected to prolong India's sugar export curbs, as the country seeks to ensure domestic supply stability.

Last December, the Indian government had ordered sugar mills to halt the use of sugarcane for ethanol production during the 2023/24 supply year in order to bolster the nation's sugar reserves.

While sugar prices have been generally on the rise, the optimism surrounding India's monsoon season has served as a bearish factor.

The Indian Meteorological Department reported that as of September 16, India had received 862.3 mm of rainfall, an amount that represents an 8 percent increase over the long-term average of 801.5 mm. As the monsoon season in India typically spans from June to September, this surplus rainfall has created expectations of a bountiful sugarcane harvest, potentially mitigating the current supply issues.

Copper rallies to weekly highs as US Fed rate cut, Chinese stimulus outlook energise markets

COPPER PRICES CONTINUED their upward trend for a third consecutive session, bound for a weekly gain as the demand outlook for the metal turned rosier after the Federal Reserve's outsized interest rate cut. Optimism for further stimulus from China, the world's largest consumer of copper, also strengthened the metal's upward momentum.

In response to the recent developments, three-month copper on the London Metal Exchange (LME) rose by 0.5 percent to $9,564.50 per metric tonne, approaching a two-month high that was established in the previous session.

This week has seen an increase of 3.3 percent in copper prices so far, while the most-traded October copper contract on the Shanghai Futures Exchange surged by 1.3 percent, reaching a value of 75,870 yuan ($10,751.03) per tonne.

Markets were buoyed by the US Federal Reserve's decision to initiate its monetary easing cycle with an unusually large 0.5% reduction in interest rates on Wednesday, bolstering investor confidence in riskier assets worldwide.

The prospect of further economic stimulus measures by China to stimulate growth, coupled with the Fed's move, which gave Beijing more flexibility to loosen monetary policy without significantly affecting the yuan, also contributed to the positive market sentiment.

However, despite these optimistic indicators, China caught the markets by surprise on Friday when it maintained its benchmark lending rates unchanged at the monthly fixing.

Prices of non-ferrous metals displayed a mixed performance, with some posting gains while others retreated.

On the London Metal Exchange (LME), aluminum prices edged lower by 0.1 percent, settling at $2,536 per tonne. In contrast, zinc prices inched up by 0.2 percent, trading at $2,935 per tonne.

In a similar vein, nickel prices saw an uptick of 0.5%, closing at $16,415 per tonne, while lead prices rose by 0.6 percent, settling at $2,087.50 per tonne.

Chinese commodity exchanges painted a slightly different picture, with aluminum prices on the Shanghai Futures Exchange climbing by 0.4 percent, reaching 20,045 yuan per tonne.

Other base metals also exhibited positive movement, as nickel prices gained 1.1 percent, rising to 125,800 yuan per tonne. Zinc prices followed suit, climbing by 1.1 percent to 24,200 yuan per tonne. Lead prices jumped by 1.4 percent, closing at 16,635 yuan per tonne, while tin prices soared by 2.1 percent, settling at 261,480 yuan per tonne.

Business a.m.

Coca-Cola moves to pump $1bn into Nigerian economy in 5-year investment plan

COCA-COLA NIGERIA Limited and its authorised bottler, Nigeria Bottling Company (NBC), collectively known as the Coca-Cola System in Nigeria, have declared their intention to ramp up investments in the country over the next five years. The System plans to increase investments in Nigeria to the tune of $1 billion, provided that a stable and supportive business environment remains in place.

According to the multinational non-alcoholic beverage manufacturer, the planned investment builds on its sustained dedication to Nigeria and its communities.

Nigerian Bottling Company, also known as Coca-Cola Hellenic Bottling Company, has been a major contributor to the Nigerian economy, investing a total of $1.5 billion over the past ten years. With its new commitment, the Coca-Cola System plans to increase its rate of investment in Nigeria, doubling its previous level of investment over the next five years.

The Coca-Cola System's commitment to Nigeria is considered a reflection of its belief in the country's potential for economic growth and development. The System's $1 billion investment is projected to provide a significant boost to various value chain segments, including suppliers, distributors, retailers, and recyclers.

The Coca-Cola System's announcement was made during a meeting with President Bola Ahmed Tinubu at the State House in Abuja. The high-profile delegation from Coca-Cola included John Murphy, president and chief financial officer of the Coca-Cola Company; Zoran Bogdanovic, chief executive officer of Coca-Cola Hellenic Bottling Company; Henrique Braun, EVP and president, international development of The Coca-Cola Company; Luisa Ortega, president of Coca-Cola's Africa operating unit; and Naya Kalogeraki, chief operating officer of Coca-Cola Hellenic Bottling Company.

R-L: President Bola Ahmed Tinubu received Zoran Bogdanovice, chief executive officer, Coca-Cola Hellenic Bottling Company; and John Murphy, president, Coca-Cola Company, at Presidential Villa Abuja recently.

Following the meeting with President Tinubu,John Murphy indicated that the investment highlights the system's efforts to drive scalable initiatives while also preserving the value of local relevance. The Coca-Cola president/CFO noted that the company has been an integral part of the African continent for over 96 years and the recent investment in Nigeria reiterates its optimism about the continent.

On his part, Zoran Bogdanovic remarked that the Coca-Cola System has been part of Nigerian communities for over 70 years and believes in the strength and continued potential of the market.

The CEO of Coca-Cola Hellenic Bottling Company stated: "We are excited to announce this investment, which demonstrates our dedication to fostering economic growth and creating job opportunities in the country.

"Our investment goes beyond business growth; it's about contributing to the well-being of the communities we call home. We foresee significant social and economic advancements, which is why we continue to invest in our business operations and community programs in Nigeria."

Luisa Ortega, president of Coca-Cola's Africa operating unit, emphasised the importance of collaboration to create a stable operating environment.

"By working in partnership with the government and other stakeholders, we can drive sustainable development and economic empowerment. Our collective efforts can create a lasting positive impact on the communities we serve," Ortega stated.

President Tinubu, in response to Coca-Cola's announcement of increased investment in Nigeria, commended the company for its long-standing partnership with Nigeria and for promoting investment opportunities that have employed over 3000 people across nine production facilities.

The recent investment pledge by Coca-Cola is not the first time the company has issued a similar commitment to growing the Nigerian economy. Nearly three years ago, on November 23, 2021, the company announced plans to invest $1 billion in the Nigerian economy.

The announcement of Coca-Cola's investment plans was warmly received by Yemi Osinbajo, Nigeria's former vice-president, who expressed appreciation for the company's commitment to the nation's economy.

"Your ongoing investment in the country, which I am told will be in the order of $1 billion in the next five years, testifies to your faith in the possibilities of Nigeria," Osinbanjo said.

In the wake of skepticism surrounding Coca-Cola's renewed investment pledge, the company's commitment to Nigeria's economy was reaffirmed by Bayo Onanuga, the special adviser on information and strategy to the president.

Onanuga, in a social media post, cited the challenging business climate in 2021 as the primary reason for the company's inability to fulfill its previous $1 billion investment promise. However, he maintained that Coca-Cola remains committed to investing in the Nigerian economy, as evidenced by its latest investment pledge.

Fidson Healthcare joins forces with Chinese partners to boost local healthcare production in Nigeria

Business a.m.

FIDSON HEALTHCARE PLC SIGNED A cooperation memorandum with Jiangsu Aidea Pharma, Nanjing PharmaBlock, and the China-Africa Development Fund, in a move towards boosting Africa's self-sufficiency in healthcare, particularly in the fight against HIV.

The agreement, which was inked recently in Beijing, China signals the establishment of a joint venture with the goal of setting up a pharmaceutical plant in Nigeria.

The four entities pledged to work together, tapping into their respective knowledge bases and resources to identify and explore investment opportunities within West Africa's pharmaceutical market.

The joint venture was established during a visit by a Nigerian delegation led by Fidelis Ayebae, founder and managing director of Fidson Healthcare Plc, accompanied by Babatunde Ipaye and Oshoke Ayebae.

Yomi Adebanjo, the company secretary, expressed optimism about the partnership, stating that it presents a model of global cooperation in tackling pressing medical issues.

The soon-to-be-constructed manufacturing facility in Nigeria's Lekki Free Trade Zone, he stated, promises to become a cornerstone of pharmaceutical excellence, capitalising on the zone's strategic location and well-developed infrastructure to spur economic growth and enhance healthcare delivery in the region.

Heliang Fu, the chairman of Aidea Pharma, remarked, "This collaboration marks an important step for Chinese Pharma players in their commitment to global medical cooperation. By integrating our expertise and experience in innovative drugs, we are confident in bringing greater well-being to African patients."

Cynthia Ezekwe

PZ Cussons unwinds Nigerian operations amid FX crisis

PZ CUSSONS, A MULTINATIONAL consumer goods company, has announced its intention to sell off its African subsidiaries, an action that seeks to mitigate foreign exchange losses that have been affecting the company's bottom line.

The sale of the African subsidiaries, which the company believes will be attractive to potential buyers, is expected to provide PZ Cussons with increased financial stability and the opportunity to focus on core operations in other regions.

PZ Cussons, in a recently published preliminary results statement for the fiscal year ended May 31, 2024, disclosed that it is currently exploring a partial or full sale of its African subsidiaries as a means to offset the negative impact of fluctuations in the naira on the company's operations.

The company emphasised that the decision to divest from its African subsidiaries is motivated by the substantial devaluation of the naira, which has seen a significant drop in value of around 70 percent.

The consumer goods company stated: "Over the last 12 months, we have made continued operational progress and delivered against the strategic priorities set out at the start of the year, against the backdrop of macro-economic challenges. At the same time, we have taken the important first steps to transform our business and maximise shareholder value, by refocusing our portfolio on where we can be most competitive.

"The period was marked by a 70 percent devaluation of the Nigerian naira, which has had significant implications on our reported financials. We have worked hard to mitigate the impact of this on the group, while continuing to serve Nigerian consumers who are facing unprecedented inflation and economic difficulties."

PZ Cussons, while acknowledging the unfavorable performance of its African subsidiaries, revealed that its UK Personal Care business

has experienced a remarkable turnaround, characterised by a year of profitable, double-digit revenue growth.

Regarding the proposed sale of its African subsidiaries, the company expressed optimism, citing the numerous expressions of interest it has received as an affirmation of the potential of its brands in the African market.

PZ Cussons also revealed that the naira's devaluation against the US dollar from May 31, 2023 to May 31, 2024, led to a foreign exchange loss of £107.5 million for the company, a direct consequence of its Nigerian subsidiaries' exposure to USD denominated liabilities.

Earlier this year, in April, PZ Cussons CEO Jonathan Myers acknowledged the challenges the company faced due to macroeconomic complexities in Nigeria, stating that a strategic review of the company's brand portfolio and geographic footprint was underway.

PZ Cussons Nigeria Plc, the Nigerian subsidiary of the multinational consumer goods company, has been struggling with a protracted downturn in its financial performance, as evidenced by the significant loss of N94.78 billion it incurred in the third quarter of 2023, representing a stark contrast to the N11.213 billion profit it recorded in the corresponding quarter of 2023.

The mounting difficulties faced by the Nigerian subsidiary were further highlighted by the N74.14 billion loss it registered in Q2'24, leading to a negative net asset position as liabilities outstripped assets by N46.420 billion.

Nigeria eyes LNG wealth as NNPC set to revive $29.8bn Brass, Olokola ventures

Business a.m.

THE NIGERIAN NATIONAL PETROLEUM CORPORATION (NNPC) Limited has initiated renewed dialogue with investors, with the aim of reviving the Brass and Olokola Liquefied Natural Gas (LNG) projects. The resumption of talks signals a renewed commitment to bringing these projects back on track and leveraging Nigeria's abundant natural gas resources for economic growth.

Umar Ajiya, the chief financial officer (CFO) of NNPC, confirmed the development during the 2024 Gas Technology Conference and Exhibition (Gastech) event, held recently in Houston, United States.

The Olokola gas project in Ogun State and the Brass LNG plant in Bayelsa State collectively carry a hefty price tag of $29.8 billion, making them among the most significant gas infrastructure investments in Nigeria.

The Olokola project, estimated at $9.8 billion, and the Brass LNG plant, valued at $20 billion, are expected to unlock the vast potential of Nigeria's natural gas reserves and drive significant economic growth in the country.

L-R: Jonny Baxter, British deputy high commissioner; Tim Kleinebenne, managing director, Unilever Nigeria plc; Folake Ogundipe, national finance director, Unilever Nigeria plc; and Richard Montgomery, British high commissioner in Nigeria, during the visit of the British high commissioner in Nigeria to Unilever Nigeria plc head office, Oregun, Lagos, recently.

The NNPC stated that the Olokola gas project and the Brass LNG plant, which are collectively anticipated to add 22 million tonnes per annum to Nigeria's gas capacity, have been marred by decades of delays due to a combination of unfavorable market dynamics and sluggish decision-making by the political class in the past.

Speaking on this, Ajiya said:

"In the past, gas prices went down, the economics of the projects meant a high Capital Expenditure (CAPEX), and this was a dis-incentive for investors and partners. Also, there was slow decision-making by the political class."

The CFO of NNPC lauded the corporation's current status as a commercially driven entity, stressing the importance of timely project development and execution. He also emphasised the urgent need for Nigeria to make swift and smart decisions in bringing partners to the table, given the abundance of gas resources in many parts of the world.

"We are also happy to have the Petroleum Industry Act, 2021 (PIA) which has provided fiscal incentives for investors and is creating the enabling environment that has rekindled hope in the energy sector," he added.

According to industry analysts, with a massive $29.8 billion investment in the Brass LNG project in Bayelsa State and the Olokola gas project, Nigeria is on the cusp of a transformative era. These projects are anticipated to create thousands of new jobs, revitalise domestic gas demand, bolster the generation of electricity, diversify the federal government's revenue streams, fortify the country's overall revenue base, and ultimately elevate Nigeria to a dominant geopolitical player in Africa.

The Brass LNG project, which was originally conceived during the administration of President Olusegun Obasanjo, was designed to capitalise on Nigeria's immense natural gas reserves and meet the burgeoning global demand for clean energy.

Unfortunately, the project was caught in a quagmire of delays and setbacks due to a lack of decisive action in the form of a Final Investment Decision (FID) and debilitating political gridlo

Nigerian Breweries to cut FX losses, boost business performance with N599bn rights issue

Cynthia Ezekwe

NIGERIAN BREWERIES PLC, THE COUNTRY'S largest brewing company, has outlined a strategic plan to utilise the funds from its N599.1bn rights issue to address pressing financial concerns.

According to the company, the proceeds from the rights issue will be allocated towards the elimination of foreign exchange losses from the company's balance sheet, which has been a significant burden on the company's financial health. Moreover, the funds will be leveraged to reduce the interest burden associated with the company's local debts, thus enhancing the company's overall financial performance and bolstering its business operations.

To this end, the company is offering 22.61 billion ordinary shares at 50k each, priced at N26.50 per share to its shareholders.

The rights issue commenced on September 2, 2024, and will close on Friday, October 11, 2024. The offer is open to all existing shareholders, giving them the opportunity to increase their shares in the company to the ratio of 11 new shares for every five held at the close of business on July 12, 2024

Hans Essaadi, managing director of Nigerian Breweries Plc, during a presentation at the Nigerian Exchange Limited (NGX), provided clarity on the financial challenges facing the company, specifically the losses incurred in the financial statements.

Essaadi disclosed that the losses were primarily attributable to the adverse impact of currency devaluation on foreign exchange-denominated payables, as well as higher interest expenses incurred by the company. This financial strain, Essaadi explained, was the primary motivation behind the N599.1bn Rights Issue, which seeks to mitigate these challenges and bolster the company's financial position.

"These are tough times for our business. We started expanding our facilities two years ago, for which FX commitments were required, with a view to future-proofing the business. This led to our incurring a substantial debt due to the devaluation of the naira.

"Despite this challenge, amongst others, we believe that investing in Nigeria is the right thing to do as the long-term fundamentals remain strong," he said.

The managing director affirmed that the rights issue would reposition the company to the path of net profitability, reiterating the company's commitment to provide sustainable value to its shareholders.

Uaboi Agbebaku, the company secretary and legal director of Nigerian Breweries Plc, elaborated on the intended use of the proceeds from the N599.1bn Rights Issue.

Agbebaku stated that the funds raised through this corporate action would be utilised primarily to repay the company's outstanding financial obligations, including a substantial amount of N328 billion in foreign exchange debts, as well as local debt repayments amounting to N263 billion.

"A major part of the proceeds will be utilised for the repayment of overdue FX obligations while the remaining will be used to repay and lower local debt (naira) obligations, thereby reducing the interest burden on the company," Agbebaku stated..

Fan Milk strengthens market position with new dairy production facility in Ibadan

Business a.m.

FAN MILK PLC, A SUBSIDIARY of multinational company Danone, recently unveiled its state-of-the-art dairy product line in Ibadan, Oyo State.

The new facility, designed with the latest technologies, will produce FanYogo Yoghurt Drink, a creamy, nutritious, and delicious beverage born out of extensive scientific research and innovation.

Véronique Penchienati-Bosetta, deputy CEO of Danone, shared her delight in launching the yoghurt production line.

Penchienati-Bosetta highlighted the significance of this investment, stating that it reinforces Danone's enduring commitment to the African market and exemplifies the company's strong belief in the prospects for growth in the dairy sector.

"The new line will not only enhance our production capacity but also ensure that we continue to provide consumers with nutritious and high-quality products that they can trust," she stated.

The occasion was graced by Governor Oluwaseyi Makinde of Oyo State, who was represented by his deputy, Adebayo Lawal, who expressed his delight in being part of the commissioning ceremony of Fan Milk Plc's dairy product line in Ibadan, a city that has hosted the company for over 63 years.

According to Lawal: "This facility not only represents a significant milestone in the advancement of our local dairy industry, but also underscores the commitment of Fan Milk Plc and Danone to the socio-economic development of Oyo State and Nigeria as a whole.

"The investment in this cutting-edge technology will create numerous job opportunities, stimulate our local economy, and enhance the quality of dairy products available to our citizens. We are proud to support such initiatives that drive growth and innovation in our state."

Kayode Adebiyi, the managing director of Fan Milk Plc,was also present at the event and spoke about the significance of the development for the company.

Adebiyi described the new yoghurt production line as a significant milestone in Fan Milk Plc's history, as it would enable the company to innovate and produce products that meet the highest international standards.

The MD further expressed his gratitude to the team that worked tirelessly to bring the project to fruition, as well as the company's business partners and consumers, who have remained loyal over the years.

Christian Stammkoetter, President of Danone's Africa, Middle East and Asia Zone, also took the opportunity at the event to reaffirm the importance of the Nigerian market to Danone and the company's commitment to supporting the country's growth and development.

Stammkoetter emphasised Danone's strong vision for growth in Nigeria, stating that it was this long-term vision that drove the decision to invest in the new yoghurt production line. He further affirmed Danone's dedication to supporting the Nigerian market and its stakeholders, including consumers, suppliers, and business partners.

The occasion was further elevated by the presence of former Nigerian president, Olusegun Obasanjo, who commended Fan Milk Plc's long-standing legacy of producing high-quality dairy products in Nigeria.

Obasanjo noted that Fan Milk Plc has become synonymous with quality, nourishment, and growth in the Nigerian dairy industry, as the company has continuously produced nutritious dairy products that have been enjoyed by generations of Nigerians.

"The investment made by Danone in creating this facility underscores the critical importance of the manufacturing sector to our national economy. It creates jobs, stimulates local economies, and contributes significantly to the country's GDP.

Minister hypes Nigeria's Africa aviation hub dreams in Moscow

NIGERIA'S STRATEGIC POSITION as Africa's aviation hub formed a key message in the delivery of Festus Keyamo, the minister of aviation and aerospace development, when he addressed the global aviation community at the recently held International Route Development Conference, in Moscow, Russia.

The conference, themed Network Cargo 2024, focused on enhancing global partnerships through the highest standards of freight forwarding services, attracted transport ministers and industry leaders from across the world, all seeking to establish efficient and competitive cargo routes.

In his presentation, the aviation minister emphasised Nigeria's unique geographical advantage in becoming the central hub for air transportation in Africa.

He stated, thus: "Geographically, we are in the best position to be the real hub of Africa. If you look at the map, we are equidistant to South America across the Atlantic, to Europe, and to Asia. We are about 6 to 7 hours to Doha, Dubai, and Brazil. With our population, we have the dream to develop a real hub for Africa." Keyamo further highlighted Nigeria's untapped aviation potential, citing the significant volume of international traffic originating from the country. However, much of this traffic is currently serviced by foreign airlines.

"If you look at it, most of the flights originating from Nigeria are not indigenous. Airlines from Ethiopia, Egypt, Morocco, and other countries feed on our traffic. They know that Nigerians travel all over the world," he remarked.

To address this imbalance, the minister expressed the Nigerian government's commitment to increasing the capacity of local airlines, noting that President Bola Ahmed Tinubu is focused on strengthening Nigeria's domestic aviation sector, ensuring that local operators benefit from the nation's air traffic.

"Instead of giving up our traffic and airspace to other people, we are focused on ramping up the capacity of our local airlines. That is a major priority of President Tinubu's administration," he said.

A statement by Tunde Moshood, the minister's special assistant on media and communications, noted that in line with the theme of the Network Cargo 2024 conference, the minister announced Nigeria's plans to expand its international routes, with a particular focus on establishing direct connections to South America, specifically Brazil.

"It is ironic that to fly to Brazil from Nigeria, one has to first travel east to Addis Ababa or go to Angola before heading west. We are working to open up direct routes from Nigeria to South America, addressing this gap in our aviation connectivity," Keyamo revealed.

Furthermore, the minister elaborated on Nigeria's recent adoption of the Cape Town Convention's practice directions, which regulate dry leasing — a common global practice in the aviation industry.

By domestically implementing these regulations, Nigeria has provided assurances to the leasing world that aircraft brought into the country will be protected under Nigerian law.

"The practice direction we signed last week ensures that Nigerian courts protect lessors and financiers, giving them the confidence that their aircraft are safe in Nigeria. This move will foster a symbiotic relationship, as we have the traffic and the need for new routes," he added.

NiMet to launch 4k resolution weather presentation infrastructure November

THE NIGERIA METEOROLOGICAL AGENCY (NiMet) is upgrading its weather presentation infrastructure to cutting-edge 4K resolution. The transformative initiative is being implemented in partnership with global technology leader Chyron and will be launched in November 2024.

The project will significantly enhance NiMet's weather presentation capabilities, and marks a critical milestone in the agency's commitment to delivering world-class meteorological services. NiMet will integrate Chyron's state-of-the-art weather presentation solutions, bringing enhanced processing power, dynamic real-time graphics, and high-definition displays to its broadcasts.

The move to 4K resolution will ensure sharper, more detailed visuals, giving Nigerians access to superior weather data that is clear, accurate, and reliable.

The upgrade forms part of the strategic vision of NiMet's management under the leadership of Charles Anosike, director general and chief executive officer of the agency, to reposition the agency. The current management is focused on modernising the agency's operational framework to meet international standards, utilising cutting-edge technology to improve the accuracy, efficiency, and visual clarity of weather forecasts, which are critical to sectors such as aviation, agriculture, and public safety.

The project is also a testament to Anosike's focus on innovation and excellence in delivering vital meteorological services that meet the growing needs of various sectors and stakeholders.

L-R: Governor Seyi Makinde of Oyo State; Governor Ademola Adeleke of Osun State; Taofeek Arapaja, PDP national deputy chairman, South; Umar Damagum, PDP national acting chairman; Debo Ogundoyin, speaker, Oyo State House of Assembly; and Bayo Lawal, deputy governor of Oyo State, during the ground breaking ceremony of the upgrade of Samuel Akintola Airport Ibadan, Oyo State recently.

Global aviation group raises Nigeria's rating to 70.5% on CTC compliance

Stories by Sade Williams/Business a.m.

THE GLOBAL AVIATION GROUP KNOWN AS AVIATION WORKING GROUP (AWG) co-chaired by Boeing and Airbus, aircraft manufacturers, has raised Nigeria's global score on its compliance status from 49 to 70.5 following the country's bold attempt to fully comply with the Cape Town Convention (CTC) on dry-leasing of aircrafts by preparing and signing the Practice Direction.

This is the largest score Nigeria has attained till date and it will give comfort to financiers and the leasing world.

There is also potential for further increase in the next few weeks as the minister has directed the Nigeria Civil Aviation Authority (NCAA) to immediately adjust its administrative rules called IDERA to also fully align with the Convention to further boost the confidence of financiers and lessors across the world.

Tunde Moshood, special assistant on media and communications to the minister, in a statement, noted that in an email received Wednesday, the Aviation Working Group in London and New York commended the aviation minister and his team for the 'time, effort and skill' they put in the last few months into making this a reality.

They also said they are poised to further increase the score once Nigeria adjusts its administrative rules in the next few weeks and the courts actually begin to apply the Practice Direction.

FAAN's drive to end airport touting aims to improve infrastructure, passenger confidence

Sade Williams/Business a.m.

OVER THE YEARS, TOUTING ACTIVITIES AT Nigeria's airports have impacted negatively on the nation's air transport sector's rating.

From buying tickets and reselling at outrageous rates to unsuspecting passengers, to selling fake tickets and waylaying airport users, the activities of touts have been known to pose security risks to Nigerian airport environment generally.

It is often feared that some of the touts could or may have been used as informants and subsequently armed with classified information, which should never have been.

Experts have pointed to the fact that they represent insider threats, which any criminal or terror group would like to use for their benefits.

In spite of the dangers that they pose, touting activities have in recent years continued to exist as a perennial problem at the nation's airports becoming very difficult to tackle, despite all the efforts put in by the authorities.

Usually these touts engage themselves in all sorts of activities – carry passenger's luggage, make a reservation for their taxis and hotels, purchase and resell airline tickets at the airport. Besides, they extort money, collect illegal fees from passengers, engage in stealing and intimidation of passengers.

The unease caused by these reprehensible activities of touts to the nation's air transport industry reputation is a red flag, especially as the federal and state governments try to lure potential investors and tourists to the country. Many years ago, it came to a point when it became a national embarrassment.

Olubunmi Kuku, managing director, FAAN

Touting activities at the nation's airports were then seen as a perennial issue that cannot be solved by any means. However, with the coming on board of Olubunmi Kuku as managing director of the Federal Airports Authority of Nigeria (FAAN), it is gradually becoming clear that the issue of touting will soon be a thing of the past.

Unsatisfied with the touts' activities at the airports and giving her commitment to creating a seamless and pleasant experience for travellers, Kuku is already tackling the menace to prevent further exploitation of passengers and to protect air transport holistically.

Kuku has therefore taken decisive steps towards achieving her aim. To drive the process effectively, she is making plans to establish magistrate courts at international airports to expedite the legal process for prosecuting offenders.

Beyond the legal process, her administration has launched an extensive campaign to crack down on such illegal activities. One of such moves is the establishment of a dedicated task force aimed at ensuring a smooth and pleasant travel experience for all airport users.

The task force has been mandated to enforce discipline among airport staff and maintain a culture of professionalism at all levels.

Kuku did not just stop at that; she went further to engage with all government agencies operating at the airports to ensure compliance with the anti-touting and anti-extortion measures.

In addition, dedicated phone lines and QR codes have also been set up to provide passengers with a means of providing feedback on their airport experience.

To also ensure that touting of any kind is completely eradicated, it is now mandatory that all airport personnel must prominently display their on-duty cards and name tags for easy identification and accountability.

However, these efforts put up to fight against touts have not gone unnoticed and have garnered commendations from stakeholders, including Festus Keyamo, the minister of aviation and aerospace development.

Consumer protection takes centrestage as NCAA presents real-time complaints portal

Sade Williams/Business a.m.

L-R: Michael Achimugu, director, public affairs and consumer protection, NCAA; Benson Ikponmwosa; Chris Najomo, acting director general, NCAA; and Festus Keyamo, minister of aviation and aerospace development, and some NCAA consumer protection officers, at the launch of the consumer protection portal held at the NCAA annex, Murtala Muhammed Airport, Lagos, recently

FESTUS KEYAMO, Nigeria's minister of aviation and aerospace development, has urged all stakeholders in the sector to make consumer protection and satisfaction their watchword, saying the ultimate goal of aviation is to provide excellent service for the travelling public.

Speaking while launching the consumer protection portal (CPP) in the department of consumer protection directorate, Nigeria Civil Aviation Authority (NCAA) at the NCAA annex, Lagos airport, he said the CPP will reduce passengers rage, restlessness and complaints emanating from flight delays, cancellations and other airlines and airports service issues.

Keyamo, who said he receives a barrage of complaints from angry passengers on a daily basis, said with the launch of the portal, the days of incessant and unresolved complaints are over as the CPP gives room for real-time complaint resolution.

"No achievement in the sector will make sense if it does not translate to improved and excellent service for the travelling public, it is not about the profit we make, not just about the welfare of workers but the most important thing is that the travelling public must get good and improved service, they must feel the change, therefore, everybody in the sector must work for this, we are all consumer protection officers, we are in this together.

"As a frequent flyer, I have witnessed passengers rage over disappointment at airports. I also receive a lot of complaints on a daily basis on many issues. With the launch of this portal, there is an avenue where passengers can now ventilate their anger, a very good means to lodge their complaints and this will reduce the rage and angst.

"The whole world is going digital and leaving behind manual means of resolving complaints; we can now resolve complaints digitally. One of our key objectives is to improve the experience of the travelling public and shore up performance of the CPD," he said.

While expressing the hope that the consumer protection rating will go up, Keyamo urged the officers to be professional in handling passengers' complaints, especially when dealing with passengers physically at airports.

"I am glad the CPD has now resolved 65% of the complaints, the performance has improved, [I want that raised] up to 95 %. I am sure the officers will be as professional as possible and we hope ratings will go up, the new portal will also put the NCAA under pressure to do more," he added.

Also speaking, Chris Najomo, the acting director general, NCAA, said the Consumer Protection Portal is NCAA's proactive response to challenges faced by passengers, adding that the platform is designed to provide consumers with quick access for lodging complaints, collation of data on airline flight operations, real time monitoring of airlines' punctuality and on-time performances.

Airbus names Semelas president for Africa and Middle East

Sade Williams/Business a.m.

Gabriel Semelas

AIRBUS HAS NAMED Gabriel Semelas as president of Airbus for Africa and the Middle East, effective from 1st January 2025.

Gabriel Semelas brings more than 24 years of experience in the aeronautical industry, having held key senior executive roles.

He returns to Airbus from his current position as chief commercial and financial officer at Eurofighter Jagdflugzeug GmbH in Germany. Prior to that, he led the contracts team for Airbus' commercial aircraft business in Africa and the Middle East.

In his new role, Gabriel Semelas will be responsible for overseeing Airbus' operations across all the company's divisions in the Africa and Middle East region, a key area for Airbus strategic development.

Commenting on the appointment, Wouter Van Wersch, executive vice president, international, at Airbus, said: "Gabriel's extensive background in the aeronautical industry, coupled with his proven leadership skills, makes him the ideal candidate to lead Airbus' operations in Africa and the Middle East. We are confident that under his leadership, we will continue to strengthen our presence and partnerships in this strategically important region."

Gabriel Semelas said about his appointment: "I am honoured to take on this responsibility at such a pivotal time for Airbus in Africa and the Middle East. I look forward to working with our talented teams and partners to drive growth and innovation in this dynamic market,"

Gabriel Semelas succeeds Mikail Houari, who has played a crucial role in expanding Airbus' footprint in the region over the past years.

With a significant presence throughout the Middle East and Africa, Airbus employs more than 3,300 people and remains committed to delivering industry leading products and services to customers across the region. The company actively sources supplies and components from local companies and provides comprehensive technical support to its partners.

Airbus has also launched several initiatives aimed at developing skills and talent in the region, nurturing the future leaders of the aerospace industry.

The Airport Customer Experience

Preparing airports for advanced air mobility

EKELEM AIRHIHEN

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

THE INTERNATIONAL CIVIL AVIATION ORGANISATION (ICAO) has issued a global 'Call to Action,' urging the swift, safe, and sustainable deployment of Advanced Air Mobility (AAM) technologies. This is a pointer to the fact that airports have to adapt as well, and as quickly as possible to the emerging disruption. As the aviation industry moves forward, they may have no choice. Airports have had to make adjustments as ride hailing services disrupted the car hire service. The challenge facing airports is to begin to plan to meet with this innovation as it may not be too far away. Advanced air mobility is becoming a reality. Airport operators need to assess the opportunity and integrate it into their planning.

This call to action emerged during ICAO's first-ever symposium exclusively dedicated to Advanced Air Mobility that commenced with high expectations as industry leaders, government officials, and innovators gathered to chart a course for the future of aviation. Experts and industry leaders in AAM and Unmanned Aircraft Systems (UAS) were there to exchange research, best practices, and lessons learned, with a focus on the integration of AAM into the global aviation system.Speaking at the gathering, Nigeria's aviation minister, Festus Keyamo was reported to have said: "This symposium is timely and presents an important opportunity for Nigeria and other nations to learn from each other's experiences as we navigate the challenges and embrace the opportunities presented by Advanced Air Mobility.

"As we explore these innovative technologies, Nigeria is committed to working closely with ICAO and other stakeholders to ensure safe, efficient, and environmentally sustainable integration into our national aviation system."

Advanced Air Mobility (AAM) refers to the next generation of air transportation systems, focusing on safety, efficiency, and sustainability. AAM encompasses various aspects, such as; Electric Vertical Takeoff and Landing (eVTOL) aircraft, Urban Air Mobility (UAM), Autonomous systems, amongst others. All these aircraft are poised to disrupt the aviation industry significantly.

AAM aims to transform the way we travel, transport goods, and services, with potential benefits such as reduced emissions, increased speed, enhanced safety, improved accessibility, new business opportunities, amongst others. Passenger traffic volumes have started to increase in most regions and are beginning to exceed pre-pandemic levels. As they do, airport operators face another transformative challenge: the need to integrate a new range of manned and unmanned aerial vehicles into their operations and infrastructure, including battery - or hydrogen-powered conventional aircraft; drones for tasks such as cargo movement, aerial surveillance, or even firefighting; and passenger advanced air mobility (AAM), leveraging electric vertical takeoff and landing (eVTOL) aircraft.

Regulators have been reported to have set strict operating conditions for people flying small drones, whether as a hobby or for commercial purposes, such as filming, surveying or delivering pizza. By so doing, drones are being kept well away from people, buildings, airports and other aircraft. But as air taxis are being designed to provide journeys in just such places, from an airport to the centre of a city for example, these new aircraft will have to be integrated into air-traffic-control systems, say experts.

Various efforts are reportedly underway to automate air-traffic-control systems so that air taxis, piloted or autonomous, can be merged with flights by airliners and light aircraft. Experts are of the opinion that it will require fitting all aircraft with transponders, similar to those already used on large aircraft. These transponders would transmit and receive the flight plans of other aircraft in the vicinity automatically so that pilots, or in the case of autonomous aircraft their flight computers, can see and avoid one another.

Tampa International Airport, in Florida, United States of America, is reported to have taken certain strides in this regard. The Florida airport is working to develop vertiports to support both cargo and passenger services potentially provided by electric vertical-and-takeoff-landing (eVTOL) vehicles. It expects cargo operators to use eVTOLs to move packages from the airport to nearby warehouses and airlines to offer passengers the option of coming to the airport via an air taxi flight. The airport also envisions future air taxi service from the airport to various locations around the Tampa area.

An examination of eight potential vertiport spots at the airport led to six being ruled out, including the tops of parking garages and the rental car centre. But two spots have been identified as viable sites. The airport is reportedly taking, seriously, such issues as site selection, implications for airspace, operations, infrastructure and utilities that will be needed. TPA (Tampa International Airport) decided on site selection based on avoiding the airport's two parallel runways and a determination that garage roof tops were not ready for vertiports. The site selection was based on the conviction that it will integrate very easily and seamlessly into the cargo business as a starting point, say reports.

Experts believe that airports could charge landing fees to AAM operators in the same way that they charge fees to airlines. They could also provide additional services for a fee, such as charging infrastructure or ground servicing. Additionally, the new passenger traffic is projected to increase non aeronautical revenues from retail or food and beverage. Revenues from ride hailing, taxi fees, parking, and car rentals are believed to slightly decrease, however the overall balance would remain largely positive, say experts.

Airports will need to develop the infrastructure required to enable ultrafast high-powered electric charging and hydrogen refuelling. Many airports around the world are already working toward electrifying ground-service equipment, such as pushback tractors, aircraft-fueling trucks, and baggage loaders. So, these too should be considered as plans are made for this new technology.

While AAM faces challenges like regulatory frameworks, public acceptance, infrastructure development, and technological advancements, it however, has the potential to revolutionise air transportation and create a more sustainable future.

Loved, loathed

UK frequent flyers on ai they most love and most

WHEN IT COMES TO airlines, everyone's a Karen. Even the most progressive, mild mannered people in the world hold opinions on airlines so strong they would shock you. Because airline experiences are indelible. Good or bad, you remember them for life. That slow food service on the way to Budapest? Or that impeccable offboarding in the Maldives? Etched into your memory forever. But not everyone's experiences are the same.

From tales of frequent delays and militant check-in staff, to flawless service and the best air mile systems on offer, we wanted to see what some real world travellers had to say. So, pack it up, pack it in, and let us begin. Here we present five of the best and worst airlines of 2024, as per some very frequent (and opinionated) flyers. Maddy Mussen writes; published originally in London Evening Standard

SKY HIGH: British Airways

British Airways cabin crew (PA)

Not to get all patriotic about it, but British Airways is one of the last remaining bastions of high quality service in [England]. Isabelle McMahon is a bonafide British Airways obsessive, who never flies with anyone else if she can avoid it. "They fly from City, which is obviously the best airport because all the people that travel from there are businessmen who know the systems to get through security, no funny business or queues, no old people or families who act like they have never heard of taking their belt off before," she says, also citing BA's service, luggage allowance and free food offering.

"Plus, because they support the British film industry you get lots of classic British films rather than blockbusters," she says. "And you get Avios points which is the best points system because you can connect your Amex and more importantly your Uber. One point per pound spent on Uber! You even get points for trips taken on work or business accounts, which is huge! I just got a £300 flight for £40 from Mykonos to Heathrow off my BA points from this year so that's amazing." British Airways has won many awards for its frequent flyer programme on multiple occasions, including in 2018, 2019, 2020, 2021 and 2022 at the Business Travel Awards. It also recently scooped several gongs at the prestigious Head for Points Travel & Loyalty Awards this January, including Best Premium Economy Seat and Service, Best UK Airport Lounge (Airline), and Best Airline or Rail Loyalty Scheme.

Known for: Best rewards scheme for regular travellers.

SKY LOW: Turkish Airlines

(PA)

One very frequent flyer, who is choosing to remain anonymous, names Turkish airlines as a firm "worst" airline, detailing stories of cancelled and delayed flights, broken luggage, children being put on standby and even broken glass being found in their food. The glass incident did lead to compensation from the airline, but the flyer says it has happened on more than one occasion.

As well as being guilty of displaying some pretty hilariously inaccurate maps (Los Angeles next to England, Ho Chi Minh City in Africa), Turkish Airlines is also criticised over its rewards system for frequent flyers. Isabelle, our resident British Airways obsessive, outlines it like so: "Turkish Airlines isn't part of the big two - Avios or Star Alliance - for points," she says, noting that there's very little useful outcomes for gaining Turkish Airline points when compared to other air miles, unless you actually live in Türkiye.

Moreover, research found that it had one of the worst rates of punctuality when it came to flight departures from UK airports, with an average delay of 28 minutes and 36 seconds in 2023, according to analysis of Civil Aviation Authority (CAA) data by PA news agency. Turkish Airlines were second only to ultra low-cost airline Wizz Air, who we'll get to later.

Plus, the airline recently did the rounds on TikTok for its poor passenger reviews, as well as a viral video showing the airline's failure to provide a passenger with a window seat, with the video reaching 6.3 million views. This isn't the first time a Turkish Airlines mishap has gone viral, what with the earlier incorrect map incident, as well as a viral tweet in 2023 showing a passenger dripping with sweat after sitting "in the plane without air conditioning [sic]

(PA Wire)

for two hours". In general, it's not coming out of 2024 looking particularly good.

Known for: Poor points rewards system means you won't get much back for flying with them regularly.

SKY HIGH: Air Astana

(Air Astana)

You might be surprised to see this Kazakhstani airline on the list, but it's actually the favourite airline of Josh Cahill, a multi-award winning airline and aviation YouTuber who was announced as 2024's Airline Critic of the year (and no, he's not Kazakhstani). "I've had over ten flights in Air Astana in the past, and in my opinion they're probably the best airline in the world," says Cahill in his recent review of an Air Astana flight. "Great economy class, fantastic business class, great catering, well-trained crew and one of the best branding strategies in the industry."

The business class option for Air Astana offers throne seats and double seats, with an undisputed attention to detail, including genuinely comfy headphones (a strange rarity on flights of any level), Christian Lacroix amenity bags and swish, new fittings (i.e you don't get the sense the plane is 20 years old). "It's a sensational product, really nice," adds Cahill, who paid $400 for a four hour business class flight, which he describes as "quite a bargain". On this flight, Cahill was served roasted pumpkin salad, traditional salmon dumplings and a mango mousse for dessert.

The airline has also been chosen as the Best Airline in Central Asia and CIS by Skytrax World Airline Awards for three years running, and this year won the Skytrax award for Best Passenger Service and Product Innovation Airline of the Year.

Known for: The beauty of business class for a lower price.

SKY LOW: Ryanair

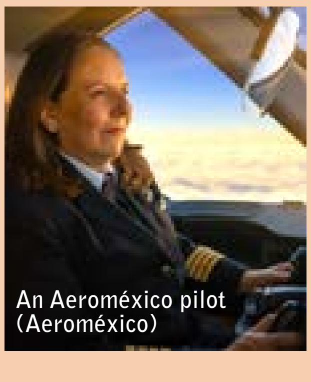
(PA Archive)

This low cost Irish airline is notorious among Brits and Irish travellers, with one recent passenger, Alex Roberts, likening it to "flying on a bus in the sky." In particular, the airline has often been criticised for its strict rules concerning carry-on luggage. One customer, Snake Denton, recalls a particularly stressful experience this summer: "Last month, I had a 6am flight with RyanAir. I didn't want to pay for extra bags, so I stuffed five days worth of things into a duffel bag. At the gate for the departures lounge the staff asked to check my 'small bag.' I assured them it would fit under the seat in front of me, but they insisted that I measure it in the size checker. I just about managed to get it in there, but when I went to take my bag out, it ripped and all my clothes, toiletries, underwear spilled out onto the floor. Terrible start to the holiday."

While this isn't strictly RyanAir's fault, several recent passengers agreed the airline is "militant" when it comes to carry-on luggage, with many having resorted to wearing layers upon layers of their clothes so they could get on the plane. "I once had to take all of my clothes out of a carry-on and wear all of them at the same time like Joey in Friends," recalls Emily Phillips. RyanAir may never be able to rid themselves of the "money-grabbing" criticism, and even the 2010 rumour about charging people to use the toilet still frequently haunts the airline, 14 years after it imploded.

Known for: Very unforgiving on the carry-on front.

SKY HIGH: Aeroméxico



An Aeroméxico pilot (Aeroméxico)

Flying from London Heathrow, Aeromexico are establishing themselves as an impressive short haul option, as well as the self described "gateway to Mexico" that serves as their USP. Frequent flyer Emily Shead notes them as one of her top airline picks, especially for those who care about personal space. "For short haul they give you a far larger seat than most of the European airlines, so you understand why you're paying extra. European standard business class configuration is three by three, which means you get three standard seats. Aeromexico business class is two by two, but they use all the space to make two wider seats. The seat also has a foot rest which you don't get on European airlines and you get a seat which reclines further because there's more space between the rows.

Despite flying for less than three hours, Shead notes that she was offered free champagne, breakfast and a snack ("All the ingredients felt super fresh and food was well thought out," she says), as well as two bags of carry-on luggage, plus lounge access. Not bad for those with long legs or particularly twitchy elbows. In addition to this, earlier this year Aeromexico managed to impress the folks on the fear of flying Reddit group - perhaps the hardest to impress passengers of all.

Known for: Space and legroom for the vertically well-endowed.

SKY LOW: Wizz Air

(Wizz Air)

As we know, Wizz Air was found to be the worst airline for UK departure delays in 2024, with an average delay of 31 minutes and 36 seconds. In 2022, the Civil Aviation Authority raised concerns over Wizz Air's number of escalated complaints, saying it was "clearly the worst airline for complaints escalated to either ADR [Alternative Dispute Resolution] schemes or the regulator's in-house complaints team." It also noted "delays in paying passengers what they are owed." WizzAir eventually paid out over £1.2m in January of this year to compensate for disrupted flights.

Meanwhile, recent passenger Seán Hickey details a flight that he says was delayed by nine hours with no communication from Wizz Air until a mass text was sent

rlines
t hate

many hours later. "The fact we didn't speak to anybody from WizzAir during the whole thing was truly insane," he says. In 2023, a survey of over 8,000 British passengers found WizzAir to be the worst short-haul airline, with customers criticising the boarding experience, cabin environment and uncomfortable seats.

Known for: Delays, delays, delays!

SKY HIGH: Singapore Airlines

P via Getty Images)

Singapore Airlines is generally accepted as the nicest airline among regular flyers, with passenger Eliz Boga voting it her undisputed top pick. "Even economy is nice," she says, "the service is phenomenal, and there are always great food options - and hot towels! The air staff were all very lovely, polite and attentive. When I was feeling unwell, one asked me if I wanted a green tea to make me feel better."

A representative for InflightFeed, the website that documents and reviews airline meals, compared Singapore Airlines' business class food options to "dining in a fine restaurant." Their menus include prosciutto with melon, green olives, and lemon dressing as a starter, stir-fried beef with ginger and spring onion sauce as a main, and a cheese platter or pear tart for dessert.

Singapore Airlines is consistently reviewed highly and ranked among the world's best airlines, with the economy class becoming so beloved that it frequently goes viral on TikTok. Amelia Fleming, another frequent flyer who uses Singapore Airlines to fly from London to Sydney, simply adds "I would die for Singapore Airlines."

Plus, it's a must for high net worth travellers, having recently developed a class "above" first class, entitled "suites". The private suites contain a full bed, as well as a TV screen, arm chair, desk, and little cuddly teddy bear to help send you to sleep. Online, passengers who have experienced the suites have said the "attention to detail is impeccable" and that the "luxury is just on another level". In lieu of a private jet, this is about as good as it gets.

Known for: Super private suites for those seeking a PJ experience without a PJ price tag.

SKY LOW: easyJet

(PA Archive)

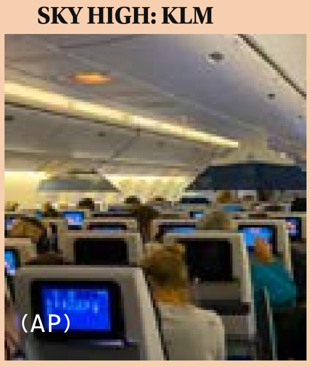
The once-beloved low-cost airline easyJet has been taking some heat in recent years, with many passengers complaining of long delays and overly-zealous baggage allowance checks. Jordan Pandey, who just returned from a trip with easyJet [last week], says her flight from Palma to Gatwick was delayed for five hours, with passengers eventually boarding the plane at 2am, only to be told over the plane's intercom that there would be another 1.5 hour wait on the tarmac. "You can imagine how upsetting that was at 2am," she says.

The airline has also suffered some well publicised messes, to put it kindly, including the incident where a couple were filmed attempting to have sex in a toilet, a filmed incident where a difficult passenger was removed from a flight after an emergency landing, and the recent spate of cancellations this week [last week]. In fact, easyJet was ranked below RyanAir by air transport rating organisation Skytrax for their low cost airlines report 2024, and it's lower than WizzAir on TrustPilot.

An easyJet spokesperson said: "This is clearly not representative of the views of 100 million customers who will fly with us this year. easyJet is one of the most highly considered airlines and the most searched airline in the UK, with customers choosing us for our unrivalled short haul network, great value fares and fantastic crew service, and we remain focused on ways we can make travel easier for our customers, which means we have seen year on year improvements in our customer satisfaction."

Known for: Declining cost to reward ratio.

SKY HIGH: KLM



(AP)

KLM Royal Dutch Airlines, the flagship carrier of the Netherlands, is highly approved for a slightly different reason. For some frequent fliers, allergies can be a real issue, and many airlines still have disappointing responses to passengers suffering from severe allergies, such as those with nut allergies. Alexandra Bullard is one of these passengers, and she highly recommends KLM as the main airline to accommodate her allergies. "It's mainly on super long flights where I get really bad anxiety and never eat usually what I'm given as I'm scared I'll have a reaction," she says. But on KLM, she says, "The food they served was outstanding - as someone with severe allergies they were very accommodating. Most airlines are useless with allergies."

KLM also allows economy passengers to upgrade their meals, so those seeking a higher level of in-flight gastronomy can access it without paying the full business or first class fee. Inflight Feed described their KLM upgraded meal (bami goreng with sticky tempeh and beef pedas, rice, salad, coconut bavarois, Dutch/Indonesian cake) as "beautifully presented and delicious."

Moreover, KLM is known for being incredibly welcoming, with impeccable customer service. This is confirmed by Niamh O'Keefe, who flew from London to New York on New Year's eve with KLM. "The clock struck midnight in some time zone over the Atlantic so they played ABBA's Happy New Year and served us champagne," she remembers, "even for those of us who were slumming it in economy!" Plus, in 2023, KLM was awarded the APEX World Class Award, recognising KLM's achievements in safety, sustainability, and well-being in the highest category of APEX's global airline awards.

Known for: Ultra-attentive service.

SKY LOW: Jet2

Famous for its presence amongst the Love Island ad breaks, Jet2 could be becoming equally renowned for some hair-raising incidents on its flights. Passenger Dylan Joyce said that a woman scared of flying attempted to open the door on his flight. "Everyone boards and then

(PA Archive)

we then hear the cabin crew whisper about a woman scared of flying coming with some ground staff," he recalls. "She boards with her family and they all sit down, except her, who runs off onto the airport tarmac. This happens two-three times before the pilot comes and has a word with her. I heard later that one crew member had to be sat with her the whole flight because she tried to open the door."

A video showing a particularly spirited Jet2 passenger shouting and squaring up to staff recently blew up on TikTok, with 5.3 million views. However, the woman was fined and banned from all Jet2 flights.

Jet2 also has one of the lowest leg rooms of low-cost providers with an average of 28in and 31in available. However, other than the leg space and the slightly zany passenger profile, Jet2 is gradually establishing itself as an increasingly impressive low-cost provider, so keep an eye out, maybe next year it will be on the other side of this list.

Jet2 said it had won multiple awards for its customer service and that it receives positive feedback: "We pride ourselves on the positive feedback we receive from millions of customers, as opposed to these findings which are based on a handful of anecdotes from a tiny sample."

Known for: Potential risk of rowdy passengers.

Aura by Transcorp recommends hotels to accountants ahead of ICAN conference

WITH ICAN'S 54TH Annual Accountants Conference fast approaching, Aura by Transcorp Hotels appears to have been digging in with a view to putting out accommodation possibilities for accountants who will be arriving Abuja from all over the country and from abroad. And like they advised, "now is the perfect time to secure your accommodation with Aura by Transcorp Hotels!"

Accountants would want to take Aura by Transcorp Hotels for their word because like they said "we're offering the best deals for all attendees on premium homes and hotels in Abuja. Whether you're looking for a peaceful retreat or a vibrant stay close to the event, Aura has got you covered."

On account of that they made the following TOP PICKS for all your accountants coming to Abuja for this event. These are just three of the many they have been putting out for some time now. You can look them up at Aura (transcorphotels.com)

Envoy Hotel & Suites

Envoy Hotel & Suites is an exquisite hotel in Abuja offering affordable accommodation with sophistication. With an outdoor pool, fitness centre, and garden, plus free private parking and WiFi, you can enjoy city views from the terrace, dine at the restaurant, or relax with a drink at the bar all within a short distance from

the conference. Get the best of both worlds.

Abuja Continental

Abuja Continental is where you go when you want to create an unprecedented experience for yourself. With its five Food and Beverage Outlets, the hotel offers a range of local and continental cuisines and a spot for everyone to find their groove during their stay. With proximity to the ICAN conference, the distance between business and leisure is just right.

Stonehedge Hotel

This hotel is known for its cosy accommodation and exceptional service. Situated in the heart of Nigeria's capital, the hotel offers a blend of modern amenities and traditional hospitality, making it a popular choice for both business and leisure travellers. Its strategic location provides easy access to major diplomatic and business districts in the city and of course, the ICAN conference

Qatar Airways is...

Continued from page 19

phase, which perfectly aligns with Qatar Airways' connectivity with Europe, serving over 50 European destinations from its home and hub at Hamad International Airport in Doha – The World's Best Airport voted by Skytrax in 2024.

The new partnership underscores the airline's dedication to delivering world-class services and creating memorable experiences for football fans in Europe and across the globe.

To celebrate the partnership, the Qatar Airways Privilege Club will be offering UEFA Champions League fans discounts of up to 12 percent on flight fares along with exclusive ticket promotions. Fans will also have access to exclusive promotions and bespoke travel solutions, such as UEFA Champions League travel packages, all designed to celebrate the spirit of sport while deliver-

ing unforgettable experiences to football enthusiasts worldwide.

Badr Mohammed Al-Meer, chief executive officer, Qatar Airways, said: "We are thrilled to join forces with UEFA. As the Official Airline Partner of the UEFA Champions League, Qatar Airways is dedicated to transporting thousands of fans to this esteemed competition.

"Our partnership with the UEFA Champions League not only strengthens our connection with Europe but also aligns perfectly with our vision of fostering unity and celebrating excellence. This partnership highlights our commitment to connecting people worldwide through our network of over 170 destinations, while supporting this remarkable competition."

Aleksander eferin, president of UEFA, said: "Qatar Airways and UEFA are united in their passion for sports and global business excellence. This shared commitment is the foundation of our long-lasting partnership as we strive to provide football fans worldwide with exceptional experiences. We are delighted to expand our partnership to another level as we embark on a new era of the UEFA Champions League."

Stories by Joy Agwunobi

Nigerians hit by cybercrime wave with N42bn lost to POS, mobile phone frauds in 3 months

L-R: Gbolahan Awonuga, executive secretary, Association of Licensed Telecom Operators of Nigeria; Caroline Alenoghena, professor of telecommunications engineering, Federal University of Technology, Minna; Abraham Oshadami, executive commissioner, technical services, Nigerian Communications Commission (NCC); Sade Dada, public policy manager, Anglophone West Africa, Meta; Efosa Idehen, director, compliance monitoring and enforcement, NCC; and Tony Emoekpere, president, Association of Telecom Companies of Nigeria, during a Stakeholders' Consultative Forum on Emerging Technologies hosted by the Commission in Lagos, recently

THE RAPID ADVANCEMENT OF digital banking in Nigeria has brought convenience to millions,as financial transactions have increasingly shifted online. On the flipside, it has also opened the floodgates to a wave of cybercrime which has hit both consumers and financial institutions hard.

Between April and June 2024, Nigerians lost approximately N42.6 billion to fraud, predominantly through Point-of-Sale (POS) and mobile platforms, according to the figure drawn from a new report by the Financial Institutions Training Centre (FITC).

The recent surge in cybercrime highlights a concerning trend that has been identified in numerous reports, where digital banking channels, such as POS and mobile transfers, have become a breeding ground for cybercriminal activity.

As evidenced by the FITC report, fraudulent schemes like phishing scams, card cloning, unauthorized transactions, and fraudulent mobile money transfers have proliferated, often preying on users with inadequate digital literacy and exposing vulnerabilities in POS systems.

The FITC report details a concerning rise in fraudulent activities in Nigeria's financial sector. According to the report, in the second-quarter of this year, there were 11,532 fraud cases, reflecting a 0.52 percent increase from the 11,472 cases recorded in Q1. While the uptick in fraud may seem minimal, the financial losses are huge. This is as the report revealed that fraud cases in Q2 2024 amounted to N56.3 billion, marking a sharp rise from N34.8 billion in Q1 out of which N42.6 billion was successfully stolen, while financial institutions were able to recover N13.7 billion.

The financial losses resulting from these fraudulent activities not only put a strain on the already precarious economic landscape of Nigeria but also disproportionately impact small businesses, low-income earners, and vulnerable individuals.

For many, these fraudulent transactions represent a devastating blow to their immediate financial stability, but more significantly, they undermine trust in the Nigerian banking system. Many have also become skeptical of the system's ability to effectively combat the rising tide of cybercrime, fueling a growing sense of insecurity and eroding trust in the financial institutions that are supposed to protect them.

The FITC report revealed a worrying trend in the type of frauds being perpetrated in the Nigerian financial sector. Mobile fraud topped the list, making up 33.4 percent of the cases, followed closely by POS-related fraud at 24.6 percent, indicating a clear vulnerability in digital banking channels.

The sophistication of cybercriminals was also evident in the 16.9 percent of cases categorised as web-based fraud. Criminals are clearly becoming more adept at exploiting weaknesses in online platforms to perpetrate fraud, causing significant financial losses to victims.

The report further disclosed that approximately 95 percent of the losses, amounting to around N54 billion, took place at the bank branch level. This has raised concerns about insider involvement. For consumers, this insider threat represents a breach of trust, as the very institutions meant to safeguard their money are becoming the starting points for fraud even though 49 bank employees were dismissed during the quarter for their roles in facilitating these fraudulent activities

The FITC report also revealed that approximately 95 percent of the reported losses, totaling a staggering N54 billion, were linked to fraudulent transactions at bank branches.

This disturbing revelation has heightened concerns about the potential involvement of insiders within the banking system. Consumers, who rely on banks to safeguard their finances, are increasingly worried about the possibility of breaches of trust by bank employees, as they are not only becoming the starting point for fraud but also directly implicated in facilitating these illegal activities.

While digital banking offers great convenience to consumers, it has also exposed the vulnerabilities of Nigeria's financial institutions. The report's findings emphasize the need for financial institutions to take a more aggressive stance in addressing fraud, which may involve the adoption of cutting-edge technologies such as AI.

However, the report noted that the growing threat of cybercrime and insider threats may erode the public's trust in the financial system, especially considering the vital role that digital banking plays in promoting financial inclusion in Nigeria. As more people rely on mobile platforms for financial services, the prevalence of fraud could undermine confidence in digital banking, with potentially far-reaching consequences.

To rebuild and maintain public trust, the report stressed the importance of stricter regulatory oversight and continuous fraud prevention training for staff, focusing on the latest techniques and red flags, with special attention on high-risk areas like card-related and online fraud, which are growing rapidly.

"Strengthening ethics and compliance programs are also essential, ensuring that employees fully understand the severe consequences of engaging in fraudulent activities, particularly considering the significant number of terminations related to fraud in Q2 2024," the report stated.

Other suggested measures by the report included using data analytics for strategic reviews, quarterly assessments, and strengthening customer education and protection to reduce fraud risk.

NCC taps 6GHz spectrum to boost Nigeria's internet speed

THE NIGERIAN COMMUNICATIONS COMMISSION (NCC) has taken steps to capitalise on the potential of the 6GHz spectrum to enhance internet speed and connectivity throughout the country. This initiative seeks to address capacity constraints on existing Wi-Fi bands and cater to the increasing demand for high-speed internet services.

The development was announced during a recent Stakeholders' Consultative Forum on Emerging Technologies in Lagos. It follows an earlier call from the Global System for Mobile Communications Association (GSMA), urging the government to allocate the 6GHz spectrum band for mobile growth. The GSMA noted that the band is key to unlocking enhanced connectivity and driving global economic growth.

Nigeria now joins an expanding roster of countries embracing the 6GHz spectrum, which is projected to effectively address mounting mobile data demands and facilitate the evolution of future mobile networks. The 6GHz spectrum is a range of radio frequencies that offers faster data rates and improved transmission speeds compared to older bands, making it a highly coveted resource in the race to provide superior internet services.

Speaking at the forum, Aminu Maida, the executive vice chairman of the NCC, represented by Abraham Oshadami, the executive commissioner of technical Services, stressed that the move to deploy the 6GHz spectrum is necessary due to the overwhelming demand on the existing 5GHz and 2.4GHz bands used for Wi-Fi.

"The 5GHz and 2.4GHz bands, which are currently being used for Wi-Fi (Wi-Fi 5), are becoming overwhelmed due to the increased capacity demand," Maida explained.

The NCC EVC highlighted that the 6GHz spectrum offers significantly faster data rates and transmission speeds, which are ideal for Nigeria's expanding digital landscape. He noted that the band, spanning from 5925 MHz to 7125 MHz, substantially increases available spectrum, crucial for supporting the rising demand for high-speed internet and advanced applications.

CBN withdraws policy guidelines amid misinterpretation of cybersecurity levy report

THE CENTRAL BANK OF NIGERIA (CBN) has temporarily withdrawn its Monetary, Credit, Foreign Trade, and Exchange Policy Guidelines for 2024–2025.

The CBN, in a statement on its website, explained that the decision was prompted by widespread misinterpretations of certain provisions, particularly those relating to the cybersecurity levy. It noted that some media reports had inaccurately suggested that the apex bank had reduced the levy from 0.5 percent to 0.005 percent, leading to confusion among consumers.

The CBN clarified that the withdrawn document was simply a compilation of previously issued policies and did not introduce any new policy directions. It also emphasised that the guidelines, published on September 17, 2024, were solely for informational purposes and served as a reference point for stakeholders, summarising policies that had been in effect up to December 31, 2023.

"The attention of the Central Bank of Nigeria (CBN) has been drawn to certain instances of misinterpretation or misrepresentation of its biennial publication on Monetary, Credit, Foreign Trade, and Exchange Policy Guidelines published on September 17, 2024. In response, the CBN has temporarily withdrawn the document to minimise risk of any further misrepresentation."

"As stated explicitly in the document to guide stakeholders, the CBN reiterates that the publication is a compilation of previously issued policies and guidelines by the Bank up to a cut-off date, typically December 31 of the relevant year," the apex bank stated.

The cybersecurity levy, which had been previously suspended in May 2024, emerged as a source of controversy following reports that suggested the CBN had introduced a significant reduction of the levy.

The recent erroneous interpretation caused widespread confusion among financial institutions and the general public, leaving them in a state of uncertainty. However, the CBN was quick to clarify that the cybersecurity levy referenced in the document was part of earlier policies, which had already been suspended. As a result, the circular in question was no longer applicable, thus effectively dispelling the confusion caused by the misinterpretation.

The levy was initially imtroduced to fund the nation's cybersecurity infrastructure but met with widespread opposition from various stakeholders, commissions, and the general public, who argued that the charge was an unfair financial burden, particularly given the country's economic challenges.

According to the CBN, any subsequent updates or amendments to policies post-December 2023 would not be reflected in the withdrawn document and would be communicated via separate circulars.

The CBN reaffirmed its commitment to clear and transparent communication of monetary policies. According to the regulatory body, the guidelines must primarily be viewed as a record of policies, circulars and directives issued by the bank up to the end of 2023.

Nigeria looks to modernise tax administration with new e-invoice system

Joy Agwunobi

THE FEDERAL INLAND REVENUE SERVICE (FIRS) has announced a major step in modernising Nigeria's tax system with the launch of the FIRS e-Invoice, a new digital solution designed to enhance tax administration and compliance.

The tax body noted that the initiative is part of a broader effort to improve the efficiency and transparency of Nigeria's tax processes.

Zacchaeus Adedeji, the executive chairman of FIRS, shared these details at the recent 'Emerging Tax Matters' event, co-hosted by the Lagos Chamber of Commerce and Industry (LCCI). He explained that the e-Invoice system is aligned with the Tax Administration and Enforcement Act of 2007 and is a crucial component of FIRS's ongoing digital transformation.

According to Adedeji, an e-Invoice system will enable real-time validation and secure storage of transactions involving businesses, consumers, and government entities. Unlike traditional paper invoices, an e-invoice is a digital document exchanged in a structured data format, which simplifies and automates the invoicing process.

Adedeji highlighted that the introduction of e-invoices represents a significant upgrade from outdated paper-based systems. This modernisation, according to him, is set to improve tax compliance by streamlining how businesses process and report transactions. He also pointed out that the e-Invoice is a key element in Nigeria's push towards a more transparent and effective tax system.

The FIRS chairman further stressed on the importance of embracing technology to tackle the evolving challenges and opportunities within Nigeria's tax environment. He called on all stakeholders to support these advancements with constructive feedback and collaboration, aiming to build a more resilient and prosperous economy.

"Our collective efforts will pave the way for a more prosperous and resilient Nigeria. As we move forward, we encourage you to support these initiatives with constructive feedback and collaboration,"he said.

In addition, Adedeji outlined several other reforms underway at FIRS these include offering tax incentives to stimulate growth in local industries and enhancing the transparency of the tax incentive process. He also mentioned plans to address the challenges posed by Nigeria's large informal sector by introducing simplified tax regimes and incentives for small and micro-businesses to formalise their tax contributions.

On his part, Gabriel Idahosa,the LCCII, commended FIRS for its ongoing reforms and stressed the importance of collaboration between the public and private sectors.

According to him, Nigeria's tax system has undergone changes in recent years. These changes aim to simplify compliance, boost revenue, and address the country's fiscal challenges.

Idahosa further emphasised that the FIRS aims to boost tax revenue by 57 per cent, with a target of N19.4 trillion for 2024. He also called for policies that support innovation and competitiveness, including tax breaks for wage increases and measures to reduce barriers to foreign currency transactions.

Airtel Nigeria seeks stronger digital public infrastructure to facilitate access to services

Joy Agwunobi

AIRTEL NIGERIA HAS called for sustained collaboration among key stakeholders to overcome Nigeria's widening digital divide and fully exploit the potential of Digital Public Infrastructure (DPI) for the enhancement of healthcare, education, and financial inclusion.

Carl Cruz, CEO, Airtel Nigeria, stated this at at the 6th National Day of Identity event organised by the National Identity Management Commission (NIMC) under the theme "Digital Public Infrastructure: Enabling Access to Services." The event provided a platform for Cruz to highlight the critical role that DPI plays in providing vital services to millions of Nigerians and fostering national development.

Cruz, in his keynote address, stated that DPI, particularly through digital identity systems, is essential for ensuring that every Nigerian can access vital services.

"Digital Public Infrastructure is the backbone of any modern society,it connects people to the essential services they need to thrive, and it does so in an inclusive and secure manner. Our goal is to make sure no Nigerian is left behind as we build a stronger and more connected digital economy," he said.

The Airtel CEO further stressed the importance of digital identity as a key enabler of access to both public and private services, pointing to the COVID-19 pandemic as a significant moment that highlighted the necessity of secure identity systems. According to him, during the pandemic, these systems were crucial for delivering government aid, healthcare, and financial relief to citizens.

"In times of crisis, access to services isn't just about convenience; it can mean the difference between receiving timely medical attention or financial support and being left out," he added.

The Airtel CEO further stressed on Airtel's role in enhancing digital connectivity, which is a crucial aspect of the DPI. He emphasised that Airtel has been at the forefront of this effort, working to improve digital access through significant infrastructure development. Cruz disclosed that the company has made notable progress in extending broadband services to communities that were previously underserved. This expansion, he explained, is vital for integrating more Nigerians into the digital economy.

In addition to connectivity, Cruz highlighted Airtel's initiatives to promote financial inclusion. He noted that through partnerships with the government and financial institutions, Airtel's mobile money platforms are making financial services more accessible to people who were previously unbanked.

Data & Information Governance Insight

How firewalls keep your data safe

MICHAEL IRENE, PhD

Michael Irene, CIPM, CIPP(E) certification, is a data and information governance practitioner based in London, United Kingdom. He is also a Fellow of Higher Education Academy, UK, and can be reached via moshoke@yahoo.com; twitter: @moshoke

FIREWALLS, ROUTERS, AND SWITCHES might sound like technical jargon, but they play an essential role in keeping our data safe every day. Whether you're sending a quick email, managing a business, or simply browsing the internet, these devices are working behind the scenes to ensure your information stays private and secure. But beyond the technical details, these tools affect real people in meaningful ways, helping businesses and individuals alike avoid serious risks, such as data breaches and privacy violations.

Take, for example, Sarah, a small business owner in London. She runs a local online shop selling handmade crafts, and, like many small business owners, she didn't think much about the technology that powered her website. One day, Sarah noticed her website was running unusually slow. She later found out that her business had been the target of a cyber-attack. Hackers had tried to infiltrate her network to steal customer data, including payment information. Fortunately, Sarah's IT consultant had set up a firewall, which blocked the malicious traffic before it could do any damage. Thanks to that firewall, Sarah avoided a breach that could have ruined her business reputation and put her customers at risk.

Firewalls act like digital bodyguards, deciding what data gets in and out of your network. For businesses of all sizes, having a firewall in place is more than just good practice — it's often a requirement for compliance with privacy regulations like the GDPR (General Data Protection Regulation). GDPR requires companies to implement appropriate security measures to protect personal data. Without a strong firewall, a company could not only face a breach but also hefty fines for failing to meet these regulations. Sarah's experience is a reminder that even small businesses need to think about cybersecurity and privacy compliance.

Then there's the story of James, an 80-year-old retiree living in Manchester, UK. James might not run a business, but he enjoys keeping in touch with family and friends through video calls and emails. He recently had a problem with his home internet and called a technician for help. During the visit, the technician explained how routers, like the one James uses at home, are vital to keeping his online communications secure. Just like how a traffic officer directs cars at a busy intersection, routers make sure that all the information James sends and receives gets to the right place safely. The technician also pointed out that James's router was outdated and vulnerable to potential cyber-attacks. By upgrading his router and using a strong password, James was able to ensure his online activities, like sharing family photos and staying connected, remained private and secure.

Routers are crucial for both businesses and individuals. In many cases, cyber-attacks happen because routers are left unsecured, making them an easy entry point for hackers. This is why it's important to regularly update your router's software and ensure that you have a strong password in place. For companies, securing a router can mean the difference between a safe, compliant network and a devastating data breach. Take the example of a London-based startup that was hit by a ransomware attack last year. The attackers exploited a weakness in the company's unsecured router. Had the startup implemented proper security measures, including updating their routers and applying privacy settings, they could have avoided the costly breach.

Switches, while less commonly discussed, are also a key part of the puzzle. They connect devices within a network and allow them to communicate with each other. For instance, in an office setting, switches allow employees to share data across their computers, printers, and phones. But just like routers and firewalls, switches need to be secured to prevent unauthorised access to sensitive data. Imagine a healthcare clinic using switches to transfer patient records between departments. If these switches aren't properly protected, there's a risk that someone could intercept this highly confidential information.

In a real-life case, a hospital in the U.K. experienced a breach when an unsecured switch allowed a hacker to access the network and steal patient data. This incident not only compromised the privacy of thousands of patients but also led to a serious investigation by regulators. The hospital was fined for failing to comply with data protection regulations, a stark reminder that securing every aspect of a network is critical for privacy compliance.

For many, the idea of managing firewalls, routers, and switches might seem like an IT problem, but as Sarah, James, and the hospital case show, it's something that affects all of us. Whether you're running a business or just trying to stay connected, these devices help protect your data and ensure you comply with privacy regulations. Regularly updating these devices and using strong security settings is an easy but crucial step to take. With data breaches and privacy laws becoming more prevalent, it's never been more important to make sure your network is secure.

PROJECT SYNDICATE

Inflation Shamanism

JAMES K. GALBRAITH

James K. Galbraith, Professor at the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin, is a former executive director of the Joint Economic Committee of the US Congress and the co-author (with Jing Chen) of the forthcoming Entropy Economics: The Living Basis of Value and Production (University of Chicago Press).

AUSTIN – GOOGLE "SHAMANISM" AND YOU will find that it is "a tradition of part-time religious specialists who establish and maintain personalistic relations with specific spirit beings through the use of controlled and culturally scripted altered states of consciousness." Every element of that definition applies to monetary policymaking today, as illustrated by the reaction to the US Federal Reserve's September 18 decision to cut the short-term interest rate by 50 basis points.

The "part-time religious specialists" are those economists who comment on Fed actions. The "specific spirit being" is Fed Chair Jerome Powell. And "controlled and culturally scripted altered states of consciousness" describes textbook economics and statements from people who write economics textbooks.

Consider Paul Krugman, a noted "part-time specialist" who burnishes his glory by holding up a "Nobel Prize" (in fact, the prize is awarded "in memory of Alfred Nobel" and funded by – surprise – a central bank, but let that pass). Commenting in The New York Times on the day of the Fed's big move, he declares, "first and foremost … we've won the war on inflation. And we did it without a recession or a large rise in unemployment."

Note the personal relationship that this statement implies. Who, exactly, is "we"? Krugman does not say, but he clearly means to include himself (that is what "we" means in English). Still, the key player is not Krugman; it is the spirit being at the Fed. As Krugman explains: "the Fed is a tremendously powerful economic actor and one that can act quickly … So the Fed is basically the short-term manager of the economy."

How, exactly, does the Fed go about managing the economy when inflation threatens? "By raising interest rates," Krugman explains, "and the reason you do that is to try to cool off the economy, reduce spending, and reduce the demand for goods. It's standard practice." He goes on to note, correctly, that the Fed's interest-rate hikes after March 2022 were the biggest since the early 1980s.

Next, Krugman offers his view of the specific spirit being. If Powell says one thing, it means X; if he says another thing, it means Y. According to Krugman, "it's the words and the specificity" that matter. Or, to put it another way: it's the "scripted, culturally specific state of consciousness." This, Krugman tells us, will determine the effect on long-term interest rates and thus economic performance.

Back in 1981, when the Fed chair, Paul Volcker, pushed the short-term interest rate to 20%, four times higher than now, the dollar soared, the economy crashed, unions and industry were destroyed, and unemployment hit 10% before he relented. That, and a global debt crisis and a commodity price crash, did bring inflation back down.

None of that happened this time. Growth did not slow, commodities have not crashed, and unemployment is up barely a point, hovering at levels that would have been considered hyper-full employment in the 1980s. So, how did the Fed manage to win the war on inflation?

The clear answer is that the Fed didn't, in fact, win anything. Price increases peaked in June 2022 when the spirit being was still putting on his boots. After the start of the tightening cycle three months earlier, interest rates had risen only 75 basis points. And the inflation rate has been falling ever since, as the pandemic-related shocks, supply disruptions, and oil-price manipulations have passed through and out of the US economy. (The Russia-Ukraine war was a big factor in Europe, but not so much in the United States.)

The unmistakable conclusion – unless you're a shaman – is that the Fed did not manage the economy by masterfully placating the spirits and demons of growth, employment, and inflation. Instead, it twiddled with its interest-rate levers, and – so far – nothing happened. As I wrote in May 2022, Powell merely "waved his wand" – permitting his shamans to give him credit for developments that were already underway.

The question now is whether interest rates, still high, will produce a recession later this year or next. It is possible. To cause a slowdown, and soften up the labor market, was precisely the Fed's goal. High interest rates are bad for businesses, and high mortgage rates are bad for housing. Bad business and bad housing are bad for jobs. A slowdown may be starting now. But it hasn't gone very far – yet.

Causes must precede effects. A cause that has not happened cannot be credited with an effect that already has. This is a very simple point, yet Krugman and his many fellow shamans overlook it. One would hope, however vainly, that the recipient of a big prize in "economic sciences" would see the problem.

PROJECT SYNDICATE

The IMF Must End Its Destructive Surcharges

JOSEPH E. STIGLITZ

MARTÍN GUZMÁN

KEVIN P. GALLAGHER

MARILOU UY

Joseph E. Stiglitz, a former chief economist of the World Bank and former chair of the US President's Council of Economic Advisers, is University Professor at Columbia University, a Nobel laureate in economics, and the author, most recently, of The Road to Freedom: Economics and the Good Society (W. W. Norton & Company, Allen Lane, 2024). Kevin P. Gallagher is Professor of Global Development Policy at Boston University and Director of the Boston University Global Development Policy Center. Martín Guzmán is a former minister of economy of Argentina. Marilou Uy, former director of the Secretariat of the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development (G24), is a non-resident senior fellow at the Boston University Global Development Policy Center.

NEW YORK – A group of 22 financially distressed countries, including Pakistan and Ukraine, has become the largest source of net revenue to the International Monetary Fund in recent years, with payments exceeding the Fund's operating costs. The institution entrusted with providing the global public good of a well-functioning international financial system is, in effect, asking countries that are hardly able to pay their own bills to pick up the tab for the rest of the world.

This unseemly state of affairs is the result of the IMF's surcharge policy, which levies additional fees on countries that exceed thresholds for the amount or length of their borrowing from the Fund. Imposing fines on countries like war-torn Ukraine or Pakistan, a lower-middle-income country where flooding two years ago submerged one-third of its territory, seems antithetical to the IMF's mission: maintaining stability in the global financial system.

Surcharges neither ensure repayment nor protect IMF finances. Their main effect is to increase the burden of debt payments precisely when countries can least afford it, contravening the very rationale of the Fund, which was created to provide counter-cyclical financing.

Worse, surcharges have become much more onerous for indebted countries in recent years, and thus much harder to justify. In 2020, ten countries were paying these fees to the IMF; by 2023, with the COVID-19 shock, the Ukraine war, and rising interest rates, that number had risen to 22. And, importantly, the IMF's basic rate increased from under 1% to close to 5%, raising the total lending rate for those paying surcharges to as much as 7.8%. No wonder these countries are finding it difficult to emerge from debt distress. It is time to end the surcharges.

Supporters of the surcharges argue that the additional fees discourage debtors from borrowing excessively from the IMF. But this moral-hazard argument ignores that loans require approval from the Fund's Executive Board, which could reject frivolous requests, and it overlooks the fact that surcharges make countries more dependent on the IMF, not less.

The IMF is a preferred creditor, meaning that countries must repay the Fund before other creditors. Piling surcharges on top of what countries already owe requires them to put more scarce foreign currency toward repaying the IMF, limiting their ability to accumulate foreign-exchange reserves and regain access to international capital markets. Given this, many countries will have no option but to remain dependent on lending from the Fund to pay down their previous IMF loans.

Even beyond the particularities of the IMF's preferred-creditor status, surcharges are inherently pro-cyclical. External factors such as rising interest rates, commodity price shocks, overvalued currencies, and extreme weather events often lead countries to borrow large sums from the Fund. Similarly, the ability to access international credit markets and repay the IMF "earlier" depends largely on global financial conditions, also an external factor. In an adverse international environment, increasing the burden on countries suffering debt crises is counterproductive to the goal of restoring stable growth trajectories.

Defenders of the surcharges also argue that they are needed to build up the IMF's financial buffers. But leaving aside the obvious point that imposing the burden of creating these buffers on distressed countries is at odds with the Fund's mission of protecting financial stability, this logic no longer holds, if it ever did.

This year, the IMF is set to reach its medium-term target for precautionary balances (the need for which has been greatly exaggerated, given that defaults by borrowers are extremely rare). Once that target has been met, surcharges would be taking money from heavily indebted middle-income countries to run the IMF – reducing the burden placed on rich countries. Asking these countries to finance the global public goods that the Fund provides is wrong, especially at a time when countries should be ramping up investment to meet the United Nations 2030 Sustainable Development Goals and their nationally determined contributions under the Paris climate agreement.

The IMF's recently launched review of its surcharge policy provides an opportunity to fix a broken system. The Fund should listen to those calling for surcharge reform, including Barbadian Prime Minister Mia Amor Mottley, the G24 group of developing countries, and several legislators in the United States.

The simplest and most effective option would be to eliminate surcharges altogether. If this proves politically impossible, reforms could include capping total interest charges (the basic rate plus surcharges). The IMF would therefore impose fewer excessive burdens on indebted countries, especially in tight monetary conditions, and surcharges would decrease as the Fund's basic interest rate rises.

Other technical adjustments would help reduce the burden of surcharges. For example, the IMF could raise the thresholds for imposing surcharges, and align them with the current "exceptional access" limits, beyond which a country's situation is considered extraordinary enough to allow lending outside the standard IMF framework. Counting what a country pays for surcharges as principal payments on IMF loans would also make a big difference.

Even if surcharges used to make sense as a policy, they certainly don't now. The IMF's finances are robust; the finances of countries like Pakistan and Ukraine are not. Forcing countries to pay onerous surcharges only adds to their burden. That is no way to protect the world economy or fund the institution in charge of global financial stability.

Published by Businessnewscorp Limited
10B Stella Osholanke Street, Off Internationnal Airport Road, Ajao Estate, Isolo Lagos. **Tel:** +234 (0) 803 5555568; **Website:** www.businessamlive.com; **e-mail:** info@businessamlive.com