NEWS

Currency outside banks now N4trn, says CBN

CURRENCY OUTSIDE BANKS surged by 66.2 per cent in September 2024, reaching N4.02trillion compared to N2.42trillion in September 2023, a notable rise of N1.60trillion in just one year.

This is according to the Money and Credit Statistics data of the Central...

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FINANCE & INVESTMENT

NGX market cap down N1.2trn

NIGERIAN INVESTORS suffered a dismal trading week, losing a colossal N1.2 trillion in market value as the equity capitalisation of the Nigerian Exchange (NGX) dropped from N60.26 trillion to N59.03 trillion.

Despite a positive N801...

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COMMENT

The place of integrity in business success

WARREN BUFFET SAID, "In looking for people to hire, look for three qualities: integrity, intelligence, and energy. And if they don't have the first one, the other two will kill you." Integrity can be said to be the steadfast adherence to a strict moral or ethical code. It is synonymous with...

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Nigeria's Financial & Business Newspaper

Monday, November 4 - Sunday, November 10, 2024 www.businessamlive.com

business a.m.

TOWARDS MORE EFFICIENT MARKETS

Top 4 Nigerian lenders grow assets by 56% to N115 trn in nine months

- Disburse N33.6 trillion as loans & advances
- Record N2.9 trillion profit

BAMIDELE FAMOOFO

FOUR LEADING COMMERCIAL BANKS in Africa's most populous economy increased their balance sheet size to N115 trillion in nine months of the financial year ending December 31, 2024.

The lenders, Access Holdings Plc, FBN Holdings Plc, GTCO Plc and Zenith Bank jointly increased their assets portfolio by 56 per cent from N73.69 trillion as of nine months in 2022 to N114.58 trillion in nine months of 2023.

Access Bank Holdings emerged as the largest lender by asset base at N41.09 trillion compared to N26.69 trillion in the preceding financial year. Access Holdings recorded a 54 per cent growth in the balance sheet on a year-on-year basis.

Zenith Bank Plc was the second largest bank by asset base at N30.38 trillion as against N20.37 trillion as of September 30, 2022. The bank increased its fortune by 49.2 per cent year on year.

Occupying the third position among the four is FBN Holdings Plc with a balance sheet size of N27.49 trillion growing by 62.3 per cent year on year from N16.94 trillion in September 30, 2022.

GTCO Plc stands at N15.62 trillion as of September 30, 2023, compared with N9.69 trillion in nine months of 2022. The Holding Company boosted its asset base by 61.1 per cent in the review period.

The four lenders raked in a total of N6.96 trillion in the period with Access Holding Plc emerging the biggest gainer with N2.40 trillion, recording an increase of 128.7 per

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Soaring airfares shut out Nigerians from domestic flights

- Govt must address multiple taxation to save aviation industry- Aero Contractor CEO

L-R, Head, Corporate Communications, Sahara Group, Bethel Obioma, Head of Programs, Sahara Group Foundation, Chidilim Menakaya, Executive Director, Sahara Group, Kola Adesina and Director, Governance and Sustainability, Sahara Group, Ejiro Gray at the launch of the Making A Difference Around Africa (MADAA) on Friday, in Lagos.

ONOME AMUGE

THE ONSET OF NOVEMBER signals the approach of the holiday season, but the domestic aviation industry in Nigeria is facing a challenging time, with high airfares putting a damper on holiday travel.

In contrast to previous years when travel agencies enjoyed high patronage during this period, the skyrocketing cost of domestic air travel put a bottleneck on the holiday travel plans of some Nigerians.

The high cost of air travel has forced many Nigerians to abandon the skies in favour of travelling by road, despite the risks and prolonged travel times associated with ground transportation.

Statistics indicate that the number of passengers choosing air travel has been steadily declining due to the exorbitant cost of airfares. The situation has negatively impacted the earnings of domestic airlines, raising concerns among industry stakeholders.

These concerns were further highlighted by the recent Transport Fare Watch released by the National Bureau of Statistics (NBS).

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TRAVELLER & HOSPITALITY

Nigeria hails Air Peace

AIR PEACE, WEST AND Central Africa's largest carrier by fleet size, received high praises from Nigeria as it celebrated 10 years of operating in and from Africa's most populated country, Nigeria, with the country's...

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TECHNOLOGY & INNOVATION

Janngo's $78m African tech fund

THE TECH AND INVESTMENT SECTORS across Africa, much like in many parts of the world, face a persistent...

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COMMODITIES & AGRICULTURE

unified digital taxation for livestock

STAKEHOLDERS UNDER THE Presidential Livestock Reforms Implementation Committee (PLRIC) have called on the federal government to implement a unified...

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VISIONARY VOICES

Prosperity Requires a Healthy Planet

WASHINGTON, DC – Progress on poverty reduction has slowed almost to a standstill in recent years. With nearly 700 million people still living on less than $2.15 per day, the world is far from the goal of eradicating extreme poverty by 2030. At the current pace, it will take at least three decades to reach this tar-

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EXECUTIVE KNOWLEDGE SERIES

How Race Can Impact Sourcing Decisions

WINNING CONTRACTS from buyer firms is crucial to the survival of small businesses – but racial bias can get in the way.

Racial discrimination and inequality are pressing issues throughout the world. Notably, a 2021 report by McKinsey revealed that unless progress accelerates, it could take up to 320 years to eliminate existing gaps in...

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N250

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Soaring airfares...

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The NBS reported that the average airfare for specified routes in Nigeria rose by 0.80 per cent from N123,593.45 in August 2024 to N124,693.40 in September 2024.

In comparison to the previous year, airfare has increased by 57.81 per cent from N79,013.48 in September 2023.

A closer analysis of the NBS data showed that airfares varied across different states in Nigeria.

The Federal Capital Territory (Abuja) had the highest airfare at N129,600, closely followed by Anambra and Oyo, with average airfares of N129,045 and N128,928, respectively.

At the other end of the spectrum, Zamfara recorded the lowest airfare average at N96,969, followed by Ekiti at N120,555.37 and Kano at N121,626.57.

On a regional basis, the South-West geopolitical zone had the highest average airfare among the six zones in Nigeria during September 2024. The average airfare in the South-West region stood at N126,013.30, representing a 1.81 per cent increase from the previous month and a 59.82 per cent rise from September 2023.

The Southeast geopolitical zone recorded an average airfare of N125,881.64 in September 2024, representing a 60.95 per cent increase from September 2023 and a 0.19 per cent monthly increase from August 2024.

On the other hand, the North-West geopolitical zone recorded the lowest average airfare, with an average fare of N120,731.25 in September 2024, representing a 1.01 per cent monthly increase and a 52.59 per cent increase from September 2023.

The NBS report indicated that various factors have contributed to the upward trend in air travel costs across Nigeria.

A comparison of domestic airfares by Business a.m. has revealed a substantial increase in ticket prices over the past year.

For instance, a one-way economy class ticket from Lagos to Abuja on popular airlines such as Air Peace, Ibom Air, Green Africa, and ValueJet, which cost between N50,000 to N65,000 in the past year, now ranges from N130,000 to N220,000, depending on the airline and travel date or time.

According to analysts, increased demand, currency fluctuations, rising fuel prices, and seasonal variations have all played a role in the rise of airfares. In addition, limited infrastructure upgrades and the high cost of living are seen to have further exacerbated the situation, leading to decreased disposable income for many Nigerians and a resulting decline in air travel.

President Bola Tinubu (r) receiving a Letter of Credence from Marc Fonbaustier ,the new French ambassador to Nigeria, at the Presidential Villa in Abuja recently.

The sharp increase in airfares has also been attributed to a range of factors, including a shortage of aircraft and a decrease in flight frequency.

Reports indicate that more than half of the domestic airline fleet is grounded or stranded in maintenance facilities abroad, resulting in a reduction in flight capacity.

With fewer aircraft in operation, airlines have been forced to reduce their flight frequencies to match their reduced capacity. This situation has compounded the difficulties already faced by the aviation industry, with airlines struggling to maintain profitability and remain financially viable.

Jeffrey Okougha, a prospective passenger who was scheduled to fly with Air Peace from Lagos to Abuja, expressed his concerns about the high cost of air travel and urged the federal government to address the issue.

Speaking with Business a.m., Okougha called on the government to simplify regulatory processes, which he believes are contributing to the high cost of airfares. He urged the government to work closely with the airlines and other stakeholders to identify and implement solutions that will make air travel more affordable for Nigerians.

Okougha also stressed that reducing operational costs for airlines is essential to achieving sustainable and competitive airfares for passengers.

He also called for closer collaboration between airlines, travel agencies, and government bodies to develop strategies that would balance affordability and service quality.

Ado Sanusi, managing director and CEO of Aero Contractors of Nigeria Ltd., in a recent interview, identified multiple taxation as one of the key challenges facing the aviation industry in the country.

Sanusi noted that unless the issue of multiple taxation is addressed, the aviation industry will continue to struggle to operate efficiently.

"The federal government must have a deliberate policy to protect the aviation industry and to allow it to grow organically, so that it can be sustainable, and all those impediments that cost the growth and sustainability should be removed by policymaking, and sometimes by waivers of taxes and making the environment sustainable for business," he said.

Sanusi pointed out that the aviation industry in Nigeria faces a unique challenge due to the heavy reliance on dollar-denominated transactions.

According to him, the vast majority of expenses in the aviation industry are denominated in dollars, including lease rentals, repairs, consumables, and other essential components of airline operations. He emphasised that even though some expenses, such as salaries for pilots and mechanics, are paid in Naira, the industry's heavy reliance on dollar-denominated transactions creates a unique set of challenges.

Sanusi further explained the impact of currency fluctuations on the aviation industry, highlighting the losses incurred by airlines due to the Naira's volatility against the dollar.

The Aero Contractors chief noted that when an aircraft is taken outside the country for maintenance, the cost of maintenance in dollars can increase substantially if the Naira depreciates against the dollar during the maintenance period.

The increase in maintenance cost, he explained, can lead to substantial losses for the airline, as they are forced to pay more Naira to cover the same maintenance bill in dollars.

Sanusi made it clear that he does not believe in the concept of subsidies and that the government should focus on creating a conducive environment for businesses to thrive.

He highlighted the impact of a weak economy on the aviation industry, with high interest rates and inflation directly affecting the industry.

According to Sanusi, a stable economy would lead to stable prices for commodities, including airfares. He added that the root of the problem lies in the economy and that efforts should be made to address the underlying issues to create a sustainable aviation industry.

"So the main thing is not a subsidy, but getting the right policies in place to make sure airlines thrive. For instance, give us a policy of cancelling this double taxation that most airlines are saddled with because they are paying a lot of taxes to the federal government. They are expected to pay taxes to the parastatals and the parastatals are struggling. The airlines are struggling, which makes it a vicious cycle," he pointed out. Sanusi argued that the current practice of taxing airlines to fund aviation parastatals has not been effective in improving the industry's infrastructure or services.

He stated that the practice has been tried for many years without any significant improvement, and suggested that the government should find alternative sources of funding for aviation parastatals rather than relying on airline taxes.

Sanusi advocated for a reduction in the tax burden on airlines, emphasising that a tax break would help the airlines become more financially stable and ultimately improve the overall performance of the industry.

The Aero Contractors CEO underscored the need for a more rational and cost-based approach to taxation in the aviation industry, where taxes should reflect the financial health of the airlines.

He also underscored the importance of domesticating insurance in the aviation industry, explaining that this will help reduce the insurance costs borne by airlines.

Sanusi stressed the importance of policy changes by the federal government to support the growth and stability of the aviation industry.

According to him, if the federal government can introduce policies that reduce taxation, remove customs duties, localise insurance, and encourage leasing companies to operate in Nigeria, this would provide a much-needed boost to the industry. This, in turn, would help the airlines thrive, and lead to more affordable airfare pricing and a sustainable aviation sector in Nigeria.

Another aviation key player, Rowland Iyayi lamented the negative impacts of government policies on the aviation industry in Nigeria, warning that except for the government to make the necessary review of its policies, the industry will worsen.

Iyayi, former director general of the Nigerian Airspace Management Agency (NAMA) decried the policy of government taxing the airlines to fund aviation parastatals besides the statutory levies the airlines are made to pay. "This issue of multiple taxation in the aviation industry has led to many airlines shutting down their operations and more will go under if this continues," he said.

Top 4 Nigerian lenders...

continued from page 1

cent year on year. Zenith Bank was second on the list with N1.95 trillion, recording a growth of 190.2 per cent year on year.

FBNH Plc gained N1.63 trillion from Interest Income in the period, recording a growth of 164.6 per cent while GTCO raked -in N1.63 trillion from Interest Income, achieving 164 per cent growth year on year.

Financial Analysts have attributed the robust increase in Interest Income in the banking industry to the surge in interest rates and robust returns from fixed-income instruments. The Monetary Policy Committee has consistently increased Monetary Policy Rate (MPR) in a bid to sustain its tightening measure on the economy to curb inflation. MPR, the base lending rate for banks stands at 27.25 per cent and there are indications by the Central Bank that the rate will increase further.

Meanwhile, GTCO emerged as the most profitable bank among the four with N1.09 trillion, increasing by 195.3 percent year on year while Zenith Bank increased its Profit after Tax by 90.5 per cent to N827.28 billion in the review period. FBNH is in the top position with N526.28 billion, increasing by 124.9 per cent year on year. Access Holdings Plc emerged as the least profitable among the four with N457.75 billion, recording a growth of 82.8 per cent year on year. In all, the four banks recorded a total profit of N2.90 trillion.

Due to high inflation and increasing cost of energy among other factors, operating expenses of the lenders increased significantly in the review period with Access Holdings being the worst hit with N1.09 trillion, rising by 110 per cent year on year while FBNH followed with N676.82 billion representing a growth of 94.8 per cent year on year. Zenith Bank incurred an increase of 113.5 per cent in operating expenses to N656.07 billion. GTCO was the least on expenses with N294.68 billion, increasing by 61.3 per cent. The lenders have continued to win despite the tough economic terrain in the country. It's an irony that while Nigerians battle with the effects of inflation, deposits in banks have continued to increase.

Customer deposits in the four banks increased by 46.73 per cent from N48.56 trillion as of nine months of 2022 to N71.25 trillion in the same period in 2023.

Zenith was the biggest beneficiary with N21.57 trillion in its coffers in the review period compared with N15.17 trillion in nine months of 2022. The bank grew its deposits portfolio by 42.2 per cent year on year. Access Holdings being the second largest beneficiary, raked in N22.28 trillion from customers compared with N15.32 trillion in 2022. The bank's deposits portfolio increased by 45.4 per cent year on year. FBNH and GTCO grabbed N16.72 billion and N10.68 trillion respectively from customers as against N10.66 trillion and N7.41 trillion in 2022.

There is a justification for increased deposits as the lenders increased lending to the economy to N33.65 trillion as against N23.44 trillion in nine months of 2022, increasing by 43.56 per cent.

Access Holdings Plc held a Loans and Advances portfolio of N11.86 trillion in the review period as against N8.04 trillion in the same period of 2022, representing an increase of 47.6 per cent. Zenith Bank's loans to customers stood at N9.40 trillion from N6.56 trillion while FBNH followed closely at N9.37 trillion as against N6.36 trillion in 2022.

RETURNS ON UTILIZATION OF FUNDS SOLD TO CUSTOMERS FOR THE WEEK ENDED FRIDAY 01st-NOVEMBER 2024

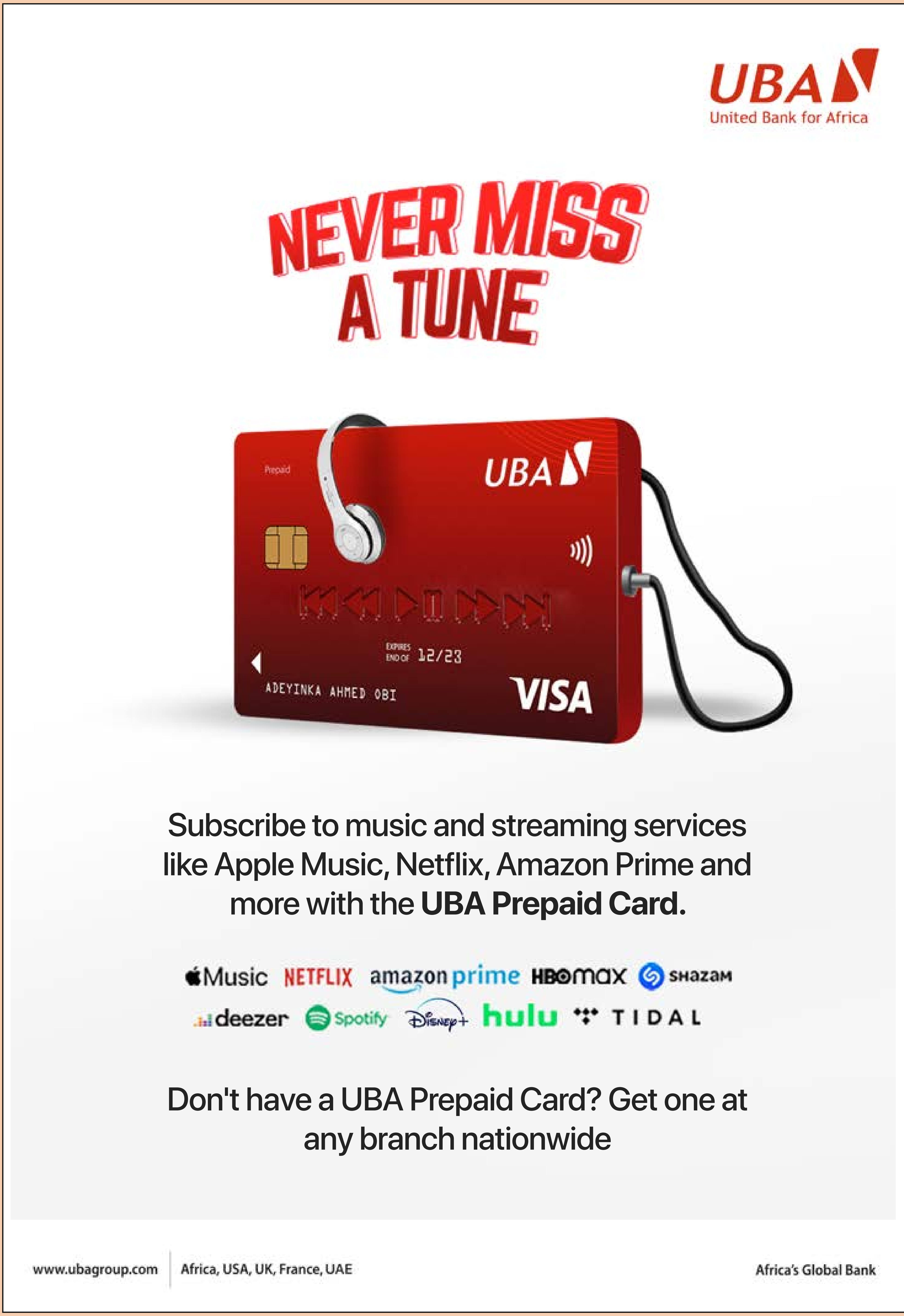
This publication: Mandated by the Central Bank of Nigeria (CBN)

BANK: ECOBANK NIGERIA LIMITED

SN	CUSTOMER	ITEM OF IMPORT	DATE OF FUND SALE	USD EXCHANGE RATE	AMOUNT
1	DEEKAY AND SONS NIG LTD	CKD (COMPLETELY KNOCKED DOWN) GAS COOKER, BRAND: NEXUS	28-Oct-24	1,601.00	66,258.98
2	DEEKAY AND SONS NIG LTD	COMPLETELY KNOCKED DOWN(CKD)REFRIGERATOR BRAND: NEXUS	28-Oct-24	1,601.00	41,925.02
3	DEEKAY AND SONS NIG LTD	COMPLETELY KNOCKED DOWN(CKD)CHEST FREEZER & REFRIGERATOR BRAND: NEXUS	28-Oct-24	1,601.00	49,862.21
4	DEEKAY AND SONS NIG LTD	WASHING MACHINE BRAND: NEXUS	28-Oct-24	1,601.00	168,903.00
5	MAPLE LEAF PRESS LTD	RAW MATERIAL FOR EXERCISE BOOK PRODUCTION, UNCOATED PLAIN PAPER IN REELS, BRAND: NEXUS	28-Oct-24	1,601.00	139,906.82
6	MAPLE LEAF PRESS LTD	MULTILAYER UNPRINTED LAMINATES	28-Oct-24	1,601.00	54,984.21
7	MAPLE LEAF PRESS LTD	RAW MATERIAL FOR EXERCISE BOOK PRODUCTION, UNCOATED PLAIN PAPER IN REELS BRAND: NEXUS	28-Oct-24	1,601.00	168,382.91
8	MAPLE LEAF PRESS LTD	RAW MATERIAL FOR EXERCISE BOOK PRODUCTION, UNCOATED PLAIN PAPER IN REELS BRAND: NEXUS	28-Oct-24	1,601.00	168,716.17
9	MAPLE LEAF PRESS LTD	RAW MATERIAL FOR EXERCISE BOOK PRODUCTION, UNCOATED PLAIN PAPER IN REELS, BRAND: NEXUS	28-Oct-24	1,601.00	141,060.68
10	RAINBOW AGROSCIENCES COMPANY LIMITED	AGRICULTURAL HERBICIDES GLUFOSINATE AMMONIUM 200G/L(BASNATE 200 SL) AND GLYPHOSATE IPA 480G/L(RID OFF 480 SL) FOR CROP PROTECTION	28-Oct-24	1,677.00	70,000.00
11	SPN AGRO ALLIED PRODUCTS LIMITED	BICYCLE ADHENSIVE SOLUTION GLUE	28-Oct-24	1,680.00	49,235.00
12	SPN CYCLE ENTERPRISES	SPN BICYCLE & MOTORCYCLE SPARE PARTS	28-Oct-24	1,680.00	12,507.02
13	PARDEE FOODS NIGERIA LIMITED	RAW MATERIALS FOR BISCUIT MANUFACTURING UNIT	29-Oct-24	1,646.00	13,000.00
14	VISTA INTERNATIONAL LIMITED	INDUSTRIAL RAW MATERIAL FOR PRODUCTION OF EXERCISE BOOKS PLAIN PAPER IN SHEETS	29-Oct-24	1,646.00	17,000.00
15	MEGA VALUE GLOBAL INDUSTRIES LIMITED	BAJAJA BOXER -BM100CC MOTORCYCLE IN CKD	29-Oct-24	1,646.00	32,000.00
16	SHIV LILA POLYMERS LIMITED	LINEAR LOW DENSITY POLYETHYLENE EXXONMOBIL EXCEED 1018MB	29-Oct-24	1,646.00	60,000.00
17	WANDEL INTERNATIONAL NIG LTD	TVS HLX PLUS 100CC KS AGD SP MOTORCYCLES IN CKD - TVS BRAND	29-Oct-24	1,646.00	65,000.00
18	SALIENT INDUSTRIES LIMITED	POLYETHYLENE RESIN, ENHANCED POLYETHYLENE RESIN	29-Oct-24	1,646.00	84,979.00
19	MANTRAC NIGERIA LIMITED	4X CAT GAS USED G3516TA GENSETS LE 50HZ PGS CONTINOUS 975EKW@1500RPM,400V50HZ	29-Oct-24	1,646.00	100,000.00
20	ULYSSES NIGERIA LIMITED	ODORIFEROUS SUBSTANCES AND NEODOL 91-8	29-Oct-24	1,646.00	172,387.00
21	CROWN FLOUR MILLS LIMITED	WHEAT RUSSIAN MILLING WHEAT - PROTEIN 12.5%	29-Oct-24	1,646.00	300,000.00
22	DAG INDUSTRIES NIGERIA LTD	BAJAJ BOXER-BM100CC MOTORCYCLE	29-Oct-24	1,646.00	300,000.00
23	2015 PETROLEUM AND INVESTMENTS LTD	7,000 MT GASOIL +/- 10%	29-Oct-24	1,646.00	471,000.00
24	NESTPOWER GLOBAL LTD	NEW AGRICULTURA WATER PUMP SUMEC BRAND WP30X	29-Oct-24	1,646.00	41,000.00
25	NESTPOWER GLOBAL LTD	NEW AGRICULTURAL WATER PUMP KEMAGE BRAND WP30X	29-Oct-24	1,646.00	20,320.30
26	FRANKENSTEIN INNOVATORS LIMITED	DAIKIN AIR- CONDITIONER	29-Oct-24	1,646.00	50,026.00
27	BUA CEMENT PLC	REFRACTORY MATERIAL AS PER PROFORMA INVOICE 4100030593	29-Oct-24	1,646.00	373,287.70
28	PRESCO PLC	SAKPONBA NEW PROJECT MILL: BIOMASS BOILER (BOILER 60 TON PER HOUR 52 BAR 350 ° C SUPERHEATED STEAM)	29-Oct-24	1,646.00	400,000.00
29	FLOUR MILLS OF NIGERIA PLC	FLOUR	29-Oct-24	1,678.50	17,119.62
30	BUA CEMENT PLC	REFRACTORY MATERIAL AS PER PROFORMA INVOICE 4100030593	29-Oct-24	1,679.25	400,000.00
31	MERCURY MILLS LIMITED	ARTIFICIAL RESINS	29-Oct-24	1,673.00	55,600.00
32	JMG LIMITED	GENERATING SET IN CKD FORM	29-Oct-24	1,661.50	300,000.00
33	CROWN FLOUR MILLS LIMITED	WHEAT RUSSIAN MILLING WHEAT - PROTEIN 12.5%	30-Oct-24	1,646.00	582,267.50
34	2015 PETROLEUM AND INVESTMENTS LTD	7,000 MT GASOIL +/- 10%	30-Oct-24	1,646.00	365,000.00
35	ABUJA STEEL MILLS LIMITED	NDUSTRIAL MACHINERY	30-Oct-24	1,646.00	83,000.00
36	DAG INDUSTRIES NIGERIA LTD	BAJAJ BOXER-BM100CC MOTORCYCLE	30-Oct-24	1,646.00	370,000.00
37	DANGOTE CEMENT PLC	SPARES	30-Oct-24	1,646.00	51,730.00
38	DANGOTE CEMENT PLC	SPARE PARTS	30-Oct-24	1,646.00	53,393.06
39	DANGOTE CEMENT PLC	SPARE PARTS	30-Oct-24	1,646.00	57,407.90
40	EAGLE INDUSTRIES INTL CONCEPT LIMI	KERRYGOLD ADVANTAGE FFMP 28% 25KG IPR	30-Oct-24	1,646.00	19,212.14
41	EAGLE INDUSTRIES INTL CONCEPT LIMI	FULL CREAM MILK POWDER GAS FLUSHED 28.1% INS/VIT KG 25KG BAG	30-Oct-24	1,646.00	198,000.00
42	NESTPOWER GLOBAL LTD	NEW AGRICULTURA WATER PUMP SUMEC BRAND WP30X	30-Oct-24	1,646.00	78,000.00
43	BUA CEMENT PLC	REFRACTORY MATERIAL AS PER PROFORMA INVOICE 4100030593	30-Oct-24	1,646.00	161,159.41
44	DANGOTE CEMENT PLC	SPARES FOR CEMENT PLANT MACHINERY	30-Oct-24	1,646.00	40,476.42
45	PRESCO PLC	SAKPONBA NEW PROJECT MILL: BIOMASS BOILER (BOILER 60 TON PER HOUR 52 BAR 350 ° C SUPERHEATED STEAM)	30-Oct-24	1,646.00	440,353.57
46	SUNYAVI VENTURES LTD	REPAYMENT FOREIGN LOANS	30-Oct-24	1,650.00	36,288.00
47	FRANKENSTEIN INNOVATORS LIMITED	TIGER HEAD BRAND DRY BATTERY	30-Oct-24	1,650.00	33,712.00
48	JMG LIMITED	GENERATING SET IN CKD FORM	31-Oct-24	1,672.00	200,000.00
49	JMG LIMITED	GENERATING SET IN CKD FORM	31-Oct-24	1,661.00	18,700.00
50	TGI DISTRI LIMITED	NEW CATERPILLAR GEN-SET TYPE:CG170-16K	31-Oct-24	1,680.00	44,858.51
51	CORMART NIGERIA LIMITED	STYRENE MONOMER	31-Oct-24	1,680.00	5,007.20
52	CORMART NIGERIA LIMITED	VINKOCIDE 520 CG, VINKOCIDE 15 CG, VINKOCIDE DBNPA20 AND PARMETOL DF 35 N	31-Oct-24	1,680.00	27,312.50
53	CORMART NIGERIA LIMITED	SECTIONAL DOORS	31-Oct-24	1,680.00	2,356.25
54	CORMART NIGERIA LIMITED	VINKOCIDE 520 CG, VINKOCIDE 15 CG, VINKOCIDE DBNPA20 AND PARMETOL DF 35 N	31-Oct-24	1,680.00	4,135.90
55	CORMART NIGERIA LIMITED	RAW MATERIAL FOR BREWERY : TOPAZ MD3	31-Oct-24	1,680.00	4,517.94
56	CORMART NIGERIA LIMITED	MODIFIED STARCH (VINKO STARCH) : VINKO PULP (VINKO STARCH)	31-Oct-24	1,680.00	13,435.76
57	CORMART NIGERIA LIMITED	GENERAL EQUIPMENT MACHINE TOOLS FOR WORKSHOP	31-Oct-24	1,680.00	2,069.32
58	CORMART NIGERIA LIMITED	CAUSTIC SODA FLAKES	31-Oct-24	1,680.00	49,992.80
59	CORMART NIGERIA LIMITED	STYRENE MONOMER	31-Oct-24	1,680.00	2,214.47
60	PROMASIDOR NIGERIA LIMITED	MIKSI INSTANT FILLED DAIRY POWDER 10%	31-Oct-24	1,670.00	236,576.93
61	PROMASIDOR NIGERIA LIMITED	MIKSI INSTANT FILLED DAIRY POWDER 10%	31-Oct-24	1,670.00	630,806.30
62	PROMASIDOR NIGERIA LIMITED	FOOD PREPARATION/CONCENTRATE	31-Oct-24	1,670.00	132,616.77
63	SACRAL INDUSTRIES LTD	KENSTAR FREE STANDING OVEN IN CKD	01-Nov-24	1,680.00	3,223.72
64	SACRAL INDUSTRIES LTD	PANASONIC SPLIT TYPE AIR CONDITIONER IN CKD	01-Nov-24	1,680.00	2,362.88
65	SACRAL INDUSTRIES LTD	KENSTAR SPLIT TYPE AIR CONDITIONER IN CKD	01-Nov-24	1,680.00	4,390.65
66	SACRAL INDUSTRIES LTD	KENSTAR AIR CONDITIONER IN CKD FORMAT	01-Nov-24	1,680.00	4,392.83
67	SACRAL INDUSTRIES LTD	PANASONIC SPLIT TYPE AIR CONDITIONER IN CKD	01-Nov-24	1,680.00	4,208.05
68	SACRAL INDUSTRIES LTD	PANASONIC SPLIT TYPE AIR CONDITIONER IN CKD	01-Nov-24	1,680.00	2,272.18
69	BASIL AND DOMINIC INTEGRATED LTD	DAIKIN AIR CONDITIONER	01-Nov-24	1,680.00	2,843.38
70	NAIJA GLOBAL LOGISTICS LTD	DAIKIN AIR CONDITIONER	01-Nov-24	1,680.00	96.00
71	NAIJA GLOBAL LOGISTICS LTD	PANASONIC AIR-CONDITIONER	01-Nov-24	1,680.00	3,177.06
72	NAIJA GLOBAL LOGISTICS LTD	PANASONIC AIR-CONDITIONER	01-Nov-24	1,680.00	3,902.22
73	NAIJA GLOBAL LOGISTICS LTD	PANASONIC AIR-CONDITIONER	01-Nov-24	1,680.00	2,857.41
74	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	3,625.32
75	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	3,217.47
76	FRANKENSTEIN INNOVATORS LIMITED	DAIKIN AIR CONDITIONER	01-Nov-24	1,680.00	1,505.87
77	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	1,974.62
78	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	1,821.15
79	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	4,804.23
80	FRANKENSTEIN INNOVATORS LIMITED	DAIKIN AIR CONDITIONER	01-Nov-24	1,680.00	2,286.18
81	FRANKENSTEIN INNOVATORS LIMITED	DAIKIN AIR CONDITIONER	01-Nov-24	1,680.00	1,857.49
82	FRANKENSTEIN INNOVATORS LIMITED	DAIKIN AIR CONDITIONER	01-Nov-24	1,680.00	1,853.87
83	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	5,430.13
84	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	2,283.95
85	FRANKENSTEIN INNOVATORS LIMITED	PANASONIC SPLIT TYPE AIR CONDITIONER	01-Nov-24	1,680.00	1,834.23
86	SUNYAVI VENTURES LTD	REPAYMENT FOREIGN LOANS	01-Nov-24	1,677.00	47,306.68
87	RAINBOW AGROSCIENCES COMPANY LIMITED	AGRICULTURAL HERBICIDES GLUFOSINATE AMMONIUM 200G/L(BASNATE 200 SL) AND GLYPHOSATE IPA 480G/L(RID OFF 480 SL) FOR CROP PROTECTION	01-Nov-24	1,678.00	22,000.00
88	DEEKAY AND SONS NIG LTD	COMPLETELY KNOCKED DOWN(CKD)CHEST FREEZER & REFRIGERATOR BRAND: NEXUS	01-Nov-24	1,670.00	55,790.93
89	DEEKAY AND SONS NIG LTD	COMPLETELY KNOCKED DOWN(CKD)CHEST FREEZER & REFRIGERATOR BRAND: NEXUS	01-Nov-24	1,670.00	41,928.98
90	NEXUS FORLIFE LIMITED	RAW MATERIAL FOR EXERCISE BOOK PRODUCTION, UNCOATED PLAIN PAPER IN REELS BRAND: NEXUS	01-Nov-24	1,670.00	167,359.25
91	MAPLE LEAF PRESS LTD	RAW MATERIAL FOR EXERCISE BOOK PRODUCTION, UNCOATED PLAIN PAPER IN SHEETS, BRAND: NEXUS	01-Nov-24	1,670.00	126,151.17
92	WACOT LIMITED	AGRO CHEMICAL INSECTICIDES : PERFECT KILLER-1 LTR	01-Nov-24	1,680.00	630.00
93	WACOT LIMITED	AGRO CHEMICAL HERBICIDES- DRAGON -1 LTR	01-Nov-24	1,680.00	500.00
94	WACOT LIMITED	AGROCHEMICAL HERBICIDES: ARMSTRONG 100 ML LTRS	01-Nov-24	1,680.00	1.00
95	WEST AFRICAN CUBES LIMITED	OLEORESIN CAPSICUM	01-Nov-24	1,680.00	4,412.17
96	WEST AFRICAN CUBES LIMITED	OLEORESIN CAPSICUM	01-Nov-24	1,680.00	14,064.12
97	WEST AFRICAN CUBES LIMITED	HYDROGENATED VEGETABLE FAT	01-Nov-24	1,680.00	12,811.96
98	WEST AFRICAN CUBES LIMITED	HYDROGENATED VEGETABLE FAT	01-Nov-24	1,680.00	3,632.03
99	WEST AFRICAN CUBES LIMITED	HYDROGENATED VEGETABLE FAT	01-Nov-24	1,680.00	31,000.00
100	WEST AFRICAN CUBES LIMITED	OLEORESIN CAPSICUM	01-Nov-24	1,680.00	31,000.00
101	INT TOWERS LIMITED	REPAYMENT FOREIGN LOANS	01-Nov-24	1,685.00	1,200,000.00

RETURNS ON SOURCES OF FUNDS PURCHASED FROM CUSTOMERS FOR THE WEEK ENDED FRIDAY 01st NOVEMBER, 2024

SN	SOURCE	DATE OF FUND PURCHASE	USD EXCHANGE RATE	AMOUNT
1	OTHERS	28-Oct-24	1,589.49	173.30
2	CAPITAL IMPRT/FDI	28-Oct-24	1,600.00	1,000,000.00
3	EXPORT PROCEEDS	28-Oct-24	1,610.00	759,000.77
4	RETAIL REMITTANCES	28-Oct-24	1,683.88	342.70
5	RETAIL REMITTANCES	28-Oct-24	1,669.69	3,337.71
6	RETAIL REMITTANCES	28-Oct-24	1,669.55	949.13
7	RETAIL REMITTANCES	28-Oct-24	1,678.25	949.00
8	RETAIL REMITTANCES	28-Oct-24	1,694.42	1,253.30
9	OTHERS	29-Oct-24	1,593.90	74.70
10	DOMICILIARY ACCOUNTS	29-Oct-24	1,620.00	11,000.00
11	CBN INTERVENTION	29-Oct-24	1,630.00	2,500,000.00
12	OTHERS	30-Oct-24	1,611.55	34.45
13	DOMICILIARY ACCOUNTS	30-Oct-24	1,624.04	10,000.00
14	DOMICILIARY ACCOUNTS	30-Oct-24	1,601.62	20,000.00
15	DOMICILIARY ACCOUNTS	30-Oct-24	1,620.00	11,245.00
16	DOMICILIARY ACCOUNTS	30-Oct-24	1,607.46	11,200.00
17	RETAIL REMITTANCES	30-Oct-24	1,679.01	5,081.22
18	RETAIL REMITTANCES	30-Oct-24	1,613.22	557.76
19	RETAIL REMITTANCES	30-Oct-24	1,613.26	34.34
20	RETAIL REMITTANCES	30-Oct-24	1,679.82	1,182.58
21	RETAIL REMITTANCES	30-Oct-24	1,678.22	1,302.84
22	CBN INTERVENTION	30-Oct-24	1,630.00	2,500,000.00
23	EXPORT PROCEEDS	31-Oct-24	1,660.00	18,700.00
24	OTHERS	1-Nov-24	1,607.26	65.23
25	OTHERS	1-Nov-24	1,607.26	172.22
26	DOMICILIARY ACCOUNTS	1-Nov-24	1,593.90	20,000.00
27	RETAIL REMITTANCES	1-Nov-24	1,683.14	257.64
28	RETAIL REMITTANCES	1-Nov-24	1,665.82	1,115.74
29	DOMICILIARY ACCOUNTS	1-Nov-24	1,640.00	3,164,556.96
30	EXPORT PROCEEDS	1-Nov-24	1,675.00	1,110,000.00
	TOTAL AMOUNT			**11,152,586.59**
	AVERAGE AMOUNT			**371,752.89**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Currency outside banks now N4trn, says CBN

Business a.m.

CURRENCY OUTSIDE BANKS surged by 66.2 per cent in September 2024, reaching N4.02trillion compared to N2.42trillion in September 2023, a notable rise of N1.60trillion in just one year.

This is according to the Money and Credit Statistics data of the Central Bank of Nigeria.

On a month-on-month basis, currency outside banks grew by 3.8 per cent in September 2024 from August's figure of N3.87trillion, translating to an increase of N147.9billion.

The trend suggests a growing inclination among the public to retain cash outside formal banking channels, a shift that could impact banks' liquidity and shape monetary policy dynamics.

The CBN data further shows that a considerable proportion of Nigeria's currency is held outside the banking system.

In September 2024, approximately 93.1 per cent of currency in circulation was outside banks, a rise from 87.5 per cent recorded in September 2023.

This shift may reflect limited trust in banking services, inflationary pressures, or a structural dependence on cash in Nigeria's largely informal economy.

Festus Keyamo , minister of Aviation received a copy of The Seven Disciplines of Breakthrough Results: How to Predictably Achieve High Performance for DGs, CEOs, ESs, PSs, Directors, and Senior Leadership Teams in the Public Sector from Bolaji Olagunju, director general of National Leadership Organisation (NLO) during a Courtesy Visit to the minister on Public Leadership Excellence.

Such a high percentage of currency outside banks poses potential challenges for channelling funds into productive investments, potentially hindering economic growth.

The CBN report also highlights a parallel rise in overall currency in circulation, which encompasses both bank-held and outside cash.

In September 2024, currency in circulation climbed 56.1 per cent year-on-year to reach N4.31trn, up from N2.76trillion in September 2023, reflecting an increase of N1.55trillion.

This indicates that the volume of currency retained outside the banking sector outpaced the total released for circulation within the past year.

Compared to August 2024, currency in circulation rose by 4.0 per cent month-on-month, adding N166.2billion from the previous figure of N4.14trillion.

Earlier in September, the CBN announced plans to sanction banks that fail to dispense cash through their automated teller machines, as part of efforts to improve cash availability in circulation.

The CBN also revealed plans to release an additional N1.4 trillion into circulation over the next three months to ease cash flow within the banking system.

This strategy aims to ensure that ATMs and bank branches have sufficient cash, addressing ongoing challenges faced by customers over cash shortages.

In related developments, it was observed that Nigeria's money supply grew significantly by 62.8 per cent year-on-year in September 2024, despite the Monetary Policy Committee's tightening stance intended to manage excess liquidity to control inflation.

According to CBN data, M3 reached N108.95trn in September 2024, up from N66.94trillion in the same period last year.

On a month-on-month basis, money supply rose by 1.6 per cent, increasing from N107.19trillion in August 2024.

Experts highlight AfCFTA's role in balancing economic growth against climate action

Joy Agwunobi

IMPLEMENTING THE AFRICAN Continental Free Trade Area (AfCFTA) is projected to boost intra-African trade by 35 per cent by 2045 while increasing greenhouse gas emissions by less than 1 per cent.

This was one of the key insights presented during the 8th Babacar Ndiaye Lecture, held at the Four Seasons Hotel in Washington D.C.

The event brought together a distinguished audience of policymakers, academics, financial experts, and climate advocates to explore the intersection of trade and climate change, emphasising the urgent need for African nations to harmonise immediate developmental goals with long-term environmental sustainability.

The lecture-themed "Saving Lives Today versus Saving the Planet for the Future: Can the AfCFTA Resolve the Climate Change Dilemma?" underscored the importance of finding a balance between the pressing need for economic growth and the imperative of protecting the environment. The discussions aimed to showcase how the AfCFTA could serve as a vehicle for not only economic growth but also for fostering a greener economy across the continent.

Yemi Osinbajo, former vice president of Nigeria, delivered a keynote address titled "Sustainable Infrastructure for Africa's Future: Harnessing Innovation and Partnerships." In his address, Osinbajo referenced an ECA/CEPII study published in December 2023, which found that implementing the AfCFTA could lead to significant economic benefits while ensuring minimal environmental impact.

He emphasised that the study's projections do not factor in the potential use of renewable energy sources for processing and manufacturing traded goods—a critical aspect of the Climate Positive Growth paradigm that could further mitigate emissions.

Osinbajo pointed out, "There are two obvious advantages to a fully operational AfCFTA. The first is that 42 per cent of African countries, aside from North Africa, now have legislation prohibiting the export of raw ores or minerals before they are processed. This legislation allows African countries to benefit from job creation and increased revenues through local processing and manufacturing."

Secondly, according to him, the current trade practices contribute extensively to carbon emissions due to the long-distance shipping of raw materials for processing in regions powered by fossil fuels before being shipped back to Africa for consumption. He stated that by enhancing intra-African trade in finished goods, the AfCFTA could drastically reduce these emissions and create a more sustainable economic model for the continent.

He further referenced the findings of the ECA/CEPII study, which indicated that implementing the AfCFTA could increase intra-African trade by 35 per cent by 2045 while raising greenhouse gas emissions by less than 1 per cent.

To illustrate his point, Osinbajo cited Guinea's vast bauxite reserves, noting, "If Guinea, which holds 25 per cent of global bauxite deposits, processes the bauxite it mines into aluminium using renewable energy before export, it could save the world 335 million tonnes of carbon dioxide equivalent (CO_2e) per year, representing roughly 1 per cent of global emissions. This would also create 280,000 jobs and generate an additional $37 billion in revenue. Selling the aluminium within Africa would again save on substantial shipping costs."

According to a study conducted by Bloomberg for the African Development Bank (AfDB) in 2021, manufacturing battery precursors in the Democratic Republic of the Congo (DRC), which is rich in lithium and cobalt—is three times cheaper than in the US, EU, or China. This manufacturing hub in the DRC could create value chain opportunities for other African nations, as they would supply essential manganese from Zambia, Tanzania, Gabon, and South Africa. Additionally, utilising Africa's abundant renewable energy could further lower manufacturing costs, providing a reliable and continuous power source for industrial production due to its minimal seasonality and intermittency.

"The AfCFTA empowers African countries to add value to materials and specialise in areas of national comparative advantage, enabling them to trade more beneficially with the rest of the world," Osibanjo noted.

He noted that many African countries rely heavily on fossil fuels for energy and as a key source of export earnings "With a growing trend among development finance institutions to withdraw from fossil fuel investments, including the World Bank's decision to cease funding for upstream oil and gas development in Africa, the implications of these actions are dire," Osinbajo stated, adding t that divesting from fossil fuels could result in significant GDP losses, with Nigeria potentially losing up to $30 billion, Algeria $22 billion, and Angola $19.3 billion.

Other speakers shared Osinbajo's views, emphasising similar concerns and insights, Rania A. Al-Mashat, Egypt's minister for planning, economic development and international cooperation, emphasised that while Africa is the least responsible for carbon emissions, it bears the heaviest burden in financing climate change initiatives.

She advocated for increased collaboration among national and international stakeholders to enhance Africa's capacity for sustainable development.

Amina J. Mohammed, the deputy secretary-general of the United Nations, highlighted the rapidly closing window to prevent the worst impacts of climate change. She expressed concern over many African nations' debt levels and limited access to long-term concessional financing for sustainable development."With adequate access to financial resources at a reasonable cost, renewables can dramatically boost economies, grow new industries, create jobs and drive development, including by reaching the over 600 million Africans living without access to power," Mohammed said.

She also stressed the importance of prioritising inclusive policies that empower women and youth when building climate-resilient economies. Mohammed noted that by leveraging the collective strength of the African Continental Free Trade Area (AfCFTA), Africa could advance both climate action and sustainable development, promote regional integration, and encourage green industrialisation.

"The AfCFTA can contribute to building resilient economies while generating jobs, alleviating poverty, and improving food security," she added.

Benedict Oramah, president and chairman of the board of directors of Afreximbank Group, expressed concern that the global debate on climate change often focuses primarily on emissions reduction, sidelining the impacts on Africa and other developing nations.

He noted, "The global debate on climate has been so much focused on emissions reduction with the question of reducing its impact on Africa and other developing countries always reduced to a footnote. A call for Africa to decarbonise, when the continent has not even carbonised, poses a serious threat to the socio-economic development of a gas-rich continent that has at least six hundred million people without electricity."

Oramah highlighted that the African Continental Free Trade Area (AfCFTA) represents an opportunity for reducing carbon emissions. He explained that the AfCFTA facilitates the localisation of industrial activities, which minimises emissions associated with shipping commodities long distances for processing and resale. "We believe the AfCFTA could provide a pathway to a just transition, enabling local industrial value addition while also safeguarding the planet," he added.

AfDB, World Bank lead charge to end hunger in Africa at 2024 Borlaug Dialogue

Stories by Joy Agwunobi

THE AFRICAN DEVELOPMENT BANK GROUP (AfDB) and the World Bank have reinforced their commitment to eradicating food insecurity in Africa, unveiling promising partnerships and financial mechanisms at the 2024 Norman E. Borlaug International Dialogue.

This year's Borlaug Dialogue, hosted by the World Food Prize Foundation, brought together leaders and experts to strategise innovative approaches to end global hunger under the theme, "Seeds of Opportunity, Bridging Generations and Cultivating Diplomacy." With a focus on collaboration, legacy, and hope, the event underscored the urgent need for unity in the fight against hunger.

At the opening plenary session titled "Achieving a Hunger-Free World," Akinwumi Adesina, AfDB President and Ajay Banga, World Bank President emphasised the urgency for global action in combating hunger, an increasingly challenging goal due to conflict, economic pressures, and the relentless impacts of climate change.

Both leaders reaffirmed their institutions' dedication to Africa's food security, presenting collaborative frameworks and groundbreaking financial solutions designed to support agricultural resilience across the continent.

"There is nothing more important than feeding the world," Adesina stated, noting that Multilateral Development Banks (MDBs) play a crucial role in this mission. He elaborated on the transformative potential of these institutions to address Africa's substantial $1.3 trillion annual development needs.

L-R: Olayinka Subair, country manager, Nigeria/Cluster Lead, West Africa, Pfizer Nigeria; Rotimi Awofisibe, managing director, VFD Microfinance Bank; Odunayo Sanya, executive director, MTN Foundation; Zouera Youssoufou, managing director /CEO, Aliko Dangote Foundation,and Tinuola Akinbolagbe, MD/CEO, PSHAN, at the 2024 PSHAN annual gala and awards night in Lagos recently.

By harnessing the power of financial instruments like the International Monetary Fund's (IMF) Special Drawing Rights (SDRs), Adesina explained that MDBs could leverage these resources to multiply available funds by up to eight times, vastly expanding capital for essential development initiatives. "That's how you recycle capital to accomplish all that is needed," he added.

Both Adesina and Banga highlighted the critical importance of engaging Africa's youth in the agricultural sector. The AfDB's "Enable Youth" program and the World Bank's youth-focused employment initiatives reflect a concerted effort to tap into Africa's youthful demographic and channel their energy toward agricultural and economic transformation.

According to Adesina, "If we don't put finance behind young people's ideas, that's the biggest risk."

The leaders pointed to the vast potential of Africa's young population in driving agricultural innovation and economic growth, stressing that without dedicated support, this demographic dividend might be lost.

A key partnership discussed was the G20's Global Alliance Against Hunger and Poverty, a collaborative initiative involving both the AfDB and World Bank. This alliance is designed to channel SDRs through MDBs to combat hunger across Africa, showcasing the power of strategic alliances in scaling impact.

Adesina cited the ambitious "Mission 300" project, a joint effort by the World Bank and AfDB to connect 300 million Africans to electricity by 2030, as an example of MDB-led cooperation.

On his part, Ajay Banga, World Bank President, praised Adesina's leadership and reaffirmed his confidence in the joint initiative. "We have six years to get it done," Banga stated, emphasising the urgency and scale of the project.

Addressing climate challenges, Banga pointed out a glaring disparity noting only 4 per cent of global climate financing is allocated to agriculture in Africa. He underscored the need for scalable, ecosystem-driven solutions to assist smallholder farmers in Africa.

"The focus must be on scale and ecosystems," Banga noted, pointing to the World Bank's efforts to build a comprehensive support network for farmers, enhancing access to energy, internet, and credit guarantees. This integrated approach aims to create sustainable pathways for African farmers to thrive despite climate-related challenges.

Furthermore, he noted that the World Bank aims to capitalise on Africa's demographic dividend by incorporating job creation as a measurable outcome across its development projects. With a focus on six pillars, this strategy is designed to bolster Africa's workforce and promote sustainable growth.

Mashal Husain, Chief Operating Officer for the World Food Prize Foundation said the theme for this year's Borlaug dialogue pointed to a world of potential to achieve the goal of ending hunger worldwide.

"That seed represents hope, innovation and courage to dream. This week at the Borlaug Dialogue we are not just talking about the seeds of opportunity. We are planting them," Husain said.

MediaReach OMD launches Red Room in new era of business, marketing insight

Onome Amuge

MEDIAREACH OMD, the premier media agency in West Africa, is set to pave the way for a new era of dynamic conversations with the launch of the OMD Red Room.

Designed as a cutting-edge hub for transformative dialogues, the OMD Red Room will provide a collaborative space where top marketing and business professionals can exchange insights and tackle the evolving landscape of marketing, including the technologies that are shaping the future of the industry.

In line with its vision to spearhead innovative discussions and collaborations in marketing, mediaReach OMD disclosed that the much-anticipated OMD Red Room will take place during the National Advertising Conference 2024, scheduled from November 13th to 15th at the Abuja Continental Hotel.

The agency further revealed that the Red Room's theme, "Discussing

The Shifts in Marketing and Communication", reflects its dedication to exploring the constantly evolving trends and dynamic changes within the industry.

Key topics to be Covered at the event include, "Emerging Trends & Smart Application of Technology in Marketing" and "Content & Culture in Shaping Consumer Perception and Driving Brand Growth".

The OMD Red Room is not the only innovation that mediaReach OMD is poised to debut during the National Advertising Conference. The agency will also be unveiling the latest version of its renowned Media Facts Book, an invaluable resource for marketing professionals across West and Central Africa.

Originally launched in 2001, the Media Facts Book has continuously evolved to provide relevant and up-to-date insights into the media landscape in these regions.

"Supported by mediaLab, a dedicated Research and Analytics unit, the Media Facts Book, published in English & French language, provides accurate media intelligence and comprehensive insights across 23 West & Central African markets, including Nigeria, Ghana, Cameroon, and Benin. It remains an invaluable asset for media practitioners and companies navigating strategic expansions in the region.

"This groundbreaking initiative reinforces mediaReach OMD's position as a thought leader and a transformative force in the media and advertising industry, highlighting our unwavering commitment to innovation and strategic insights," the agency stated.

Oketola, former Punch editor begins book tour, set to hold reading in Abuja

business a.m.

AUTHOR AND ACCOMPLISHED newspaper editor/ journalism prize-man, Dayo Oketola, is set to embark on an international book tour taking off on November 15 with a book reading and signing event in Abuja.

Oketola has authored a book titled, 'The Catalyst: Nigerian Tech Evolution Through a Journalist's Lens', presented to the public on September 17, 2024, at the Muson Centre in Lagos during an Exaugural Lecture marking the end of his tenure as Editor, The PUNCH. The book was unveiled by former President Olusegun Obasanjo and other dignitaries.

The author expressed heartfelt gratitude on the incredible support and accolades that have followed the release of the book and announced an international book tour, beginning in Abuja and continuing to Lagos, Akwa-Ibom, Delta, as well as the UK, US, and Canada, among other locations.

He said, "The book reading and signing event, hosted by RovingHeights Bookstore in Abuja, will mark the start of the international "Catalyst Book Tour."

This tour will include readings, book signings, fireside chats, and interviews, serving as a platform to share insights from my 20 years in journalism while celebrating my contributions to the telecom industry's knowledge base. It will also provide a chance to connect with friends, colleagues, critics, and fellow book lovers, both locally and internationally."

Speaking on the book, the author explained that the 352-page compendium structured into 14 chapters celebrates remarkable industry achievements while critically addressing the persistent gaps that hinder its full potential.

He said, "Blending personal narratives with meticulous industry analyses, 'The Catalyst: Nigerian Tech Evolution Through a Journalist's Lens' offers a profound exploration of Nigeria's telecommunications evolution, which began with the introduction of GSM in 2001, to the vibrant and competitive industry we witness today.

It also highlights the bold initiatives that opened the sector to private investment, leading to over $70 billion in capital inflow and the creation of over 500,000 jobs in over 20 years.

"From emphasising how advancements in telecommunications, fintech, and infrastructure have catalysed Nigeria's national development, the book delves into strategic planning and governance, showcasing successful projects that highlight the importance of foresight in harnessing technology for societal growth. Through real-life stories and case studies, readers will witness the transformative power of innovation in various sectors, from agriculture to education, among others."

In the chapters dedicated to inclusivity in technology, the author confronts the marginalisation of vulnerable groups, particularly persons with disabilities (PWDs) and women. By exploring initiatives aimed at fostering inclusivity, the book advocates for equitable access to technological advancements, emphasising the need for diverse voices in shaping the digital future.

According to Oketola, the book further examines the roles of regulatory agencies in shaping the telecoms and fintech sectors. It identified both the successes and failures of existing regulatory frameworks, shedding light on how these have influenced industry innovation and equipping readers with a deeper understanding of the complexities at play in Nigeria's tech ecosystem.

The author equally investigates the operational challenges faced by NigComSat-1R, Nigeria's multi-million dollar communication satellite, while looking into the future by examining the government's initiatives aimed at unlocking Nigeria's digital economic potential through broadband expansion, infrastructure development, and the rise of 5G technology.

The commencement of naira for crude sale

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

IN A CHANGING WORLD, WITH continuous evolution on social norms, cultural activities and economic structures that respond to various influential human factors like technology, globalisation and politics; it constantly requires a limitless position of research studies into all human daily engagements. The essence is to retrace all past wrong steps taken in running the economy, or in governance; and to keep improving in all spheres of human endeavours. Hence, the innovative tendencies that shall strategically rearrange and proactively adjust man's generational conditions to normalcy. This is because the efforts (the investments) made today shape the outcomes of tomorrow (the future). It is on this premise that the monetary policy in a shock-prone world ought to be intelligently handled, especially for a system like Nigeria's economy; by uniquely rejigging all the economic variables, to work for the nation. Crude sales in naira to local refineries, for instance, should be a priority for the Nigerian economy.

The value and worth of our local currency, the naira, ought to be determined by state recognition, and not by market forces like crude oil price at the international oil market, which has its unit/barrel price standardised in the United States dollar. This can be uniquely improved on, if the movers and shakers of the nation's economy are determined, and decide to do so. They can borrow a leaf from China, by learning from the hard fact that it is crude oil export that has remained the major source of the nation's foreign exchange earnings for decades. We should come out of any form of post-colonial mentality or neocolonialism, and radically redesign our homegrown economic framework that can drastically extricate this ailing economy from the shackles and the financial regulatory fangs of multilateral financial institutions. This is because, truly, this economy, as it stands presently, with the exchange rate at about N1,730 to the dollar, is not working! Economic experts, development economists within, should redesign the economic and financial architecture of the entire system afresh, to let domestic production surpass consumption, such that the economic activities and the daily commercial activities within the economy restart on a clean note (void of foreign exchange referencing scales) because Nigerians are dying! A self-sufficient, daily consumption of a domestically refined energy economy, shall instantly liberate this country from the present economic woes. Mind you, Dangote refined products are just around the corner, and this postulation requires no further rocket science to solve this economic challenge!

Homegrown policy that shall address the challenges of climate change and poverty in Nigeria should be the focus of the managers of this economy. Every impediment therefore, that is observed to be drawing back economic growth within the system, could be tactically and patriotically contained, if all local investors in the private sector (industry players) could collectively and genuinely engage in local manufacturing of made in Nigeria goods, with all diligence. Such a strategic business action could reasonably and comfortably reposition the nation's economic operations for favourable international trade performance, with every other nation of the world. The above outcomes are feasible, once the economy is visibly characterised by "import substitution" and "backward integration" policies that are put in place to function among all the integrated economic sectors, with daily interactive linkages, for a structured business outlook that corporately yields productivity for national economic efficiency. Our homegrown economic policy needs to have a novel concept, and shall uniquely tow a capitalistic financial structure that focuses inwards for economic self sufficiency in terms of domestic consumption. Poverty shall be reduced in such a society because of the promising rising rate of employment opportunity at the labour market. At the same time, on the other hand, business leaders and those in governance could engage the entire economic system to actively participate and sincerely observe the millennium development goals (MDGs) alongside the domestically designed energy transition policy, on every available natural resources for global warming mitigation through full compliance on energy efficiency compliant measures.

Every point already adduced, including the well articulated measures towards improving the worth and value of the naira, revolves around implementation of homegrown monetary and fiscal policies that are indigenously designed (that its interest rate should not be driven by liberal market forces that are externally influenced by the West), like the current move to supply crude oil to all the local refineries in our local currency. It is remarkable that after six decades of high level corruption and persistent looting of the nation's treasury, the economy that is significantly enriched through a single export product (crude oil) for foreign exchange, is still in existence and standing, although it has been sorely battered, and it is continuously viewed to be at the verge of collapse, then!

THE TEAM

PUBLISHER/EDITOR-IN-CHIEF
Phillip Isakpa
Tel.: 234 809 400 0025
phillipi@businessamlive.com

MANAGING EDITOR
Bamidele Famoofo
Tel.: 07081125608
bamidele@businessamlive.com

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

REPORTER
Joy Agwunobi
joy@businessamlive.com

GRAPHICS
Christopher Ikosa

IMAGE EDITOR
Pius Okeosisi
Tel.: 234 8033964694
photo@businessamlive.com
osisi2006@gmail.com

Businessnewscorp Limited

Phillip Isakpa
Adedotun Akande

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

Ripple effect: Transforming healthcare in South Africa

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

PENULTIMATE WEEKEND, the Discovery Foundation Awards brought together an extraordinary community of doctors, visionaries, and changemakers in a celebration not just of achievements but of aspirations. It was an evening inspired by the idea that even the smallest actions can have profound effects, or what's known as the "Butterfly Effect." With a deep focus on transforming healthcare, the event honoured leaders and innovators shaping the future of medicine in South Africa, an undertaking that feels more urgent than ever in today's interconnected world.

As I walked into the room, I had the privilege of meeting Dr. Vincent Maphai, chairman of Discovery Foundation. We shared a moment of laughter, a gentle reminder of how far South Africa has come from the days of passbooks and restricted identities. When I introduced myself as "Awesome"— my actual surname — Dr. Maphai humorously confirmed his trust, reflecting, "Those days of needing passbooks are gone." In that short exchange, I felt the weight of progress and the shared sense of pride for our country's journey towards freedom and opportunity for all.

In his welcome address, Dr. Maphai articulated Discovery Foundation's mission of creating "ripples of change" through academic medicine and research. He emphasised that healthcare progress isn't just about individual achievements; it's about building an ecosystem where discoveries can create sustainable and far-reaching impacts. The work of leaders like Dr. Nondumiso Dlamini, head of clinical department at Inkosi Albert Luthuli Central Hospital, exemplifies this theme. Dr. Dlamini's groundbreaking research in breast cancer detection, which leverages artificial intelligence (AI) to catch signs earlier in women under 40, demonstrates the kind of life-saving potential that Discovery Foundation seeks to support. With the fellowship award she received, her work will continue to help thousands of women, marking a leap forward in digitising healthcare in South Africa.

The evening's discussions left me reflecting on four key leadership lessons that resonate across sectors and serve as a call to action for all of us:

1. Empower others to create change

Dr. Maphai's leadership, and by extension, the Discovery Foundation's vision, embodies a profound truth: leadership isn't about standing alone in achievement; it's about lifting others to help them shine. By investing in academic medicine and research, the foundation is empowering doctors, researchers, and healthcare professionals to pursue innovative projects that can have wide-ranging impacts. Dr. Dlamini's work is a prime example of this. Through her AI-driven breast cancer research, she isn't just advancing her career; she is paving the way for a future where early detection is accessible to more women, especially those who are often underserved.

Call to action: As leaders, we should seek out ways to support and uplift others. Whether through mentorship, resources, or simply encouragement, empowering those around us creates a ripple effect of positive change that extends beyond our immediate sphere.

2. Be bold in addressing systemic challenges

The Discovery Foundation's approach goes beyond quick fixes, focusing instead on addressing systemic issues within healthcare. By championing long-term investments in research and development, the foundation is targeting root causes that limit healthcare access and quality. Dr. Dlamini's research on breast cancer detection, especially in young women who are often overlooked in traditional screening programmes, reflects a bold approach to an enduring challenge.

Call to action: True leadership requires a willingness to confront systemic problems with sustainable solutions. Whether in healthcare, business, or community work, leaders must aim to tackle the root of the problem, rather than offering temporary solutions that leave underlying issues unaddressed.

3. Leverage technology and innovation for public good

Dr. Dlamini's pioneering use of machine learning in breast cancer detection stands as a testament to the power of technology to save lives. By integrating AI into early detection protocols, she is not only enhancing diagnostic accuracy but also extending this technology's reach to areas that previously lacked access to advanced healthcare solutions. Her project aligns with Discovery Foundation's vision to integrate technology in healthcare, bridging gaps that conventional approaches cannot.

Call to action: Innovation should serve the broader community, not just a select few. As we move forward in an era defined by rapid technological advancement, let us harness these tools to address social issues and bring solutions to underserved populations.

4. Foster resilience through collaboration and support

Throughout the evening, the sense of unity and mutual support among attendees was palpable. The Discovery Foundation Awards was not just a celebration; it was a reminder that collective resilience is built through collaboration. Leaders like Dr. Maphai and Dr. Dlamini remind us that even the most visionary projects need a supportive community to thrive. The fellowship award for Dr. Dlamini's AI research isn't just funding; it's a statement that her community believes in her vision and is invested in her success.

Call to action: Cultivating resilience in our own teams and communities requires building a foundation of support and trust. Leaders must prioritise collaboration, knowing that shared goals are best achieved together, and that resilient communities amplify the impact of individual achievements.

For me, the night served as a reminder of our collective responsibility to drive positive change.

The place of integrity in business success

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

WARREN BUFFET SAID, "In looking for people to hire, look for three qualities: integrity, intelligence, and energy. And if they don't have the first one, the other two will kill you." Integrity can be said to be the steadfast adherence to a strict moral or ethical code. It is synonymous with honesty, truthfulness, uprightness, reliability, trustworthiness and incorruptibility. It is the precursor to the trust of man. One of the most valuable qualities any employee or business can have in life is integrity because it lives beyond the employee or business. It is what gives a business or man's life value and positive reference. Integrity adds to the 'goodwill' of any man or organisation and it is invaluable!

Integrity means doing the right thing at all times and in all circumstances, whether or not anyone is watching. It takes courage, selflessness and discipline in a highly corrupt environment, to do the right thing singularly, no matter what the consequences will be.

The integrity of employees and businesses is governed by codes of conduct and laws of the nation. It then means that when businesses and employees are not closely monitored and they operate in a country without rule of law and without general integrity, they tend to jettison integrity for financial and personal benefits. Integrity among workers and businesses means doing what is morally right as a principle even at a cost. Integrity in business organisation has a lot of business benefits. Germany is known for quality products and "Made in Germany" is synonymous to "made with quality in mind". Taiwan, for example, is known for imitations. It is normal for any informed and rational buyer; say in a supermarket in Dubai, UAE, to buy a shoe made in Germany instead of a shoe made in Taiwan. Clark is a quality shoe manufacturer in England. When a rational consumer sees on two similar shoes "Made by Clark in England" and "Made by Clark in China, India, Turkey or Mexico", he will gladly buy the shoe with "Made by Clark in England" before the one with "Made by Clark in China, India, Turkey or Mexico".

Integrity is being true to one's word or being known to stand for the truth at all times. When an individual says "I will be in office by 8.00 am" or a business says "this bag of rice contains 50 kg", their words should be their bonds. Customers or associates should be able to take the words of an employee or business to the bank. Lack of integrity may have financial benefits in the short run, like getting more profit than business with integrity, but the profit does not last as goodwill built from integrity. Consumers do not trust businesses that lack integrity and it may also affect businesses with quality products from the same nation because of stigma. Stigma is a mark of disgrace associated with a particular circumstance, product, nation, industry, business or person. Stigma kills a business more than its substandard products and mismanagement. When a business is known for poor quality products or succinctly put, lacks integrity, over time, consumers begin to be wary of its products. And this affects sales, turnover and profit, eventually.

For example, the businesses with incidence of counterfeiting or fraud do not survive for a long period because it takes some time to build integrity, but it only takes a few seconds to destroy it. For more than half a century, Arthur Andersen, which was cofounded as Andersen, DeLany & Co. in 1913 by Arthur E. Andersen, a young accounting firm, which had a reputation for acting with integrity, was in existence. By 2002, all of the trust and glory and reputation built by Arthur Andersen & Co. came tumbling down and ended its career as it was convicted of "obstruction of justice" for shredding documents related to its audit of Enron, resulting in what infamously became the 'Enron scandal'. Since the U. S. Security and Exchange Commission (SEC) does not accept audits from convicted felons, Arthur Andersen & Co. agreed to surrender its Certified Public Accountants (CPA) licences and its right to practise before the SEC on August 31, 2002 – effectively putting an end to an enduring career of a successful auditing firm which was the world largest auditing firm at the time.

In the case of the Boeing 737 MAX stigma that led to consumer apathy, the flaws in the software design that took flight control away from the pilots without their knowledge based on data from a single sensor, ultimately led to two 737 MAX crashes in 2018 and 2019, causing the deaths of 346 people. Ethiopian Airlines Group reconsidered its order for 25 additional 737 MAX jetliners from Boeing Co. in part because of the stigma surrounding the aircraft involved in the two fatal air disasters in five months – one of them an Ethiopian Airlines flight. Frontier Airlines, Avelo and Hawaiian Airlines were among the airlines that refused to fly Boeing 737 MAX. Boeing 737 MAX was stigmatised because according to the BBC (2000), Boeing "agreed to plead guilty to a criminal fraud conspiracy charge after the US found the company violated a deal meant to reform it after two fatal crashes by its 737 MAX planes that killed 346 passengers and crew members".

When a business adopts integrity as a principle, it must be ready to sacrifice part of its profit to uphold it. Toyota's integrity was a huge asset and a key reason why today they are the most successful car company in the world. Toyota conducts its business following 'the highest standards of integrity and fairness' which are an essential part of Toyota's philosophy and values. Toyota has been doing an 'unforced' official recall of its faulty vehicles to ensure safety and keep its integrity intact. IKEA Furniture claimed "Our corporate conscience comes alive through our approach to 'ethics and integrity', both of which stem from our strong culture and values". Apple "conducts business ethically, honestly, and in full compliance with the law". They believe that how they conduct themselves in business is critical to their success as making the best products in the world.

Integrity is the core of successful businesses. It is a corporate social responsibility (CSR) under 'ethical responsibility'. Personal integrity and adoption of core values form the foundation of any successful business. At the heart of every thriving company lies integrity and standard principles that guide decision-making, mould company culture, and ultimately determine the organisation's reputation which translates to sustainable profit more than any other factor.

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Fossil Fuels At High Noon

CHANGE

YOMI MAKANJUOLA, PHD

Yomi Makanjuola earned a doctorate in Materials Engineering and Design and worked primarily as an Associate Partner at Accenture in Nigeria. Currently, he is an author and freelance consultant in the UK. He is the author of the book, "Nigeria Like A Rolling Stone". "His most recent book titled "iProverbs: Wisdom Rebooted" is available on the Amazon platform at https://www.amazon.co.uk/dp/B0D31W2P2W. He can be reached at 9yoma9@gmail.com

LIKE TURKEYS VOTING for Christmas could be a cynic's critique of the 28th United Nations Climate Change Conference held in Dubai. Organised by the United Arab Emirates in 2023, the primary objective was to discuss and "agree on policies to limit global temperature rises and adapt to impacts associated with climate change."

Notwithstanding counter-claims of climate change deniers and hoaxers, reputable scientists have provided solid evidence linking the burning of fossil fuels, such as petroleum, natural gas and coal, to global warming. This human-induced phenomenon is attributed to carbon dioxide emissions and greenhouse gases that trap heat in the atmosphere. While sceptics continue to have their say, most nations have cautiously embraced the clean energy agenda, based on enlightened self-interest.

Still, a strong suspicion persists that oil-producing nations and exploration companies are lukewarm at best about the prospect of migrating to renewable energy. Unlike sporadic sources like solar and wind, hydrocarbons are portable and easier to store and distribute. So, in the medium term, economies that profit from non-renewables might surreptitiously encourage elastic interpretations of transition timelines.

As such, the elephant in the plenary room of the Dubai conference camouflaged the divergent interests of the host nation, OPEC members like Saudi Arabia and Nigeria, including Russia, a non-OPEC participant. Also in attendance were the world's largest coal polluters; that is, China, India and the United States, whose leadership will be crucial in order to pivot to a more sustainable future encompassing biomass, hydropower, geothermal, and nuclear energy.

Before fossil fuels, electricity, and the internal combustion engine revolutionised the industrial economy, transportation and the heavy-lifting associated with labour were largely performed by horses. Early in the 20th century, the slain and plucked yuletide turkeys of that era included carriage manufacturers, blacksmiths, wagon builders, whip makers, horse breeders, coachmen, hay merchants, and millions of horses.

In large cosmopolitan cities, street cleaners were recruited to clear tonnes of manure and thousands of gallons of urine annually, which represented a recurring environmental and sanitation nightmare. Though not on the same scale as today's climate and pollution crisis, the public heaved a huge sigh of relief when the horse economy flatlined then disappeared, although it upended livelihoods and sparked massive job losses.

Over time, the automobile industry generated millions of new jobs, while the game-changing impact resulted in myriad winners and losers. And, as is often the case, progressive trends tend to have built-in unintended consequences. In the event, contemporary green energy technologies are bound to cause worldwide disruptions, especially in countries like Nigeria and Venezuela that rely inordinately on oil and gas exports. Clearly, regardless of the delaying tactics adopted by hydrocarbon proponents, the flint-eyed retort is unequivocal: "Sooner or later, you are going down!"

Going forward, several advanced economies have committed to net-zero carbon targets and the rollout of electric transportation systems. Meanwhile, new technologies are boosting the cost competitiveness of solar and wind power, including hydrogen fuel cells, all reinforced by battery storage breakthroughs. Despite the controversies surrounding nuclear power generation, modularisation and design improvements ensure that many countries are taking a second look at adding this source into their energy mix.

So, where does all this leave Nigeria?

Internal focus has been on the deregulation of the Nigerian downstream oil sector, which has long been plagued by sleaze and spectacular own goals. In parallel, the upstream sector which is dependent on foreign expertise, is marred by piracy, misappropriation, militancy, and ecological despoliation. While brazen kleptomaniacs squabbled over oil revenues, state-owned refineries and pipeline networks ran aground, even as the legacy national electricity infrastructure virtually collapsed. Materially, the energy industry has suffered from underinvestment, skullduggery, and badly executed incentive programmes.

As the economy reels, the chickens – unlike turkeys – are coming home to roost in a nation that won the dubious lottery of pressurised geological deposits on its territory. Plundered wealth morphed into economic crises, which created opportunities for genuine reforms. By ending energy subsidies and liberalising the exchange rate policy, these interventions should create an opening for foreign and local investors to reappraise the largest market in Africa. By virtue of its size and geography, Nigeria could be a regional hub for private sector investments in decarbonised energy projects.

In times past, Nigerians shunned vocational and technical education that could have conferred lifelong practical skills; instead, multitudes opted for pointless university qualifications. Meanwhile, the alternative energy industry now attracts workers such as solar panel installers and wind technicians (which are comparatively attractive blue-collar jobs), as artificial intelligence disrupts traditional vocations. With a soaring youth population, can this country objectively ignore an altered labour landscape?

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Taxing Nigerians to the hilt in name of economic reforms

Economics Commentary

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)

When, in July 2023, President Bola Ahmed Tinubu set up the Presidential Fiscal Policy and Tax Reforms Committee (PFPTRC) to overhaul Nigeria's fiscal system, many Nigerians became expectant that sooner than later the irksome subsisting multiplicity of taxes would be over. However, sixteen months down the line, rather than the problem abating, more new taxes are being introduced, even as real and imaginary 'subsidies' are also being removed on sundry utility services.

The Presidential Committee chaired by Mr. Taiwo Oyedele has the core objectives of harmonising multiple taxes and levies, simplifying the tax system, leveraging technology for revenue administration, and removing tax provisions that hinder business and economic growth. In the end, the work of the committee is expected to boost citizens' tax morale (now at a very low ebb), promote tax culture, and drive voluntary compliance.

In specific terms, the output of the Oyedele-led committee is expected to culminate in the repealing of existing taxes and levies, and be replaced by harmonised tax laws. It is also expected to bring into being a fiscal risk framework for efficient fiscal governance, as well as create an enhanced revenue administration system. The work is also expected to give rise to the establishment of a Federal Office of Tax Ombudsman and Tax Simplification.

Although the committee's work was expected to be completed in one year with some 'quick wins' deliverables, such an expectation was largely dashed. Apparently, the panoply or plethora of reforms of the federal government in the past seventeen months largely swamped the report and impact of the PFPTRC. Although the entire report of the panel wasn't made public, to the chagrin of most Nigerians, what has been coming from the government are a variety of new taxes or their propositions.

Thus, even while the tax bills inspired by the committee's work are still before the National Assembly for legislative consideration, the federal government has been unleashing a number of new taxes and levies on various sectors and segments of the polity. In point of fact, at no time before had Nigerians been subjected to all manner of taxes and levies (ranging from the mundane to the ridiculous) than nowadays.

Currently, four tax bills — emanating from the work of the Oyedele-led panel — are lying before the federal legislature. These are the Nigeria Tax Bill 2024, the Tax Administration Bill, the Nigeria Revenue Service Establishment Bill, and the Joint Revenue Board Establishment Bill. While these bills are yet undergoing legislative procedures, new taxes and levies are being churned out.

Shockingly, not a few of these new taxes and levies are retroactively enforced. For example, the outlandish "windfall tax" on deposit money banks (DMBs), very unpopular as it is, is to be retroactively effective from 2023. It was enacted in July/August this year. Till date, this unprecedented hue of tax in the Nigerian economic landscape keeps attracting the ire and opprobrium of stakeholders and the entire populace. Indeed, the method of its implementation remains foggy and irksome; but it is being enforced, anyhow.

Again, contrary to the well-known intendment of the financial inclusion policy of the federal government for over two decades now, the current administration is almost at the point of torpedoing the noble initiative. Under the orgy of new taxes, the federal government has introduced a Tax Identification Number (TIN) verification platform, making it mandatory for Nigerians to link their TIN to existing bank accounts or provide it when opening new ones.

According to the Federal Inland Revenue Service (FIRS), all bank account holders have up to December 31, 2024 to obtain and get their TIN linked to the platform. Failure to do this would lead to account restrictions or freezing; inability to operate existing accounts. It could also lead to difficulty in opening new accounts as well as some tax penalties.

This singular policy, apparently intended to bring all Nigerians into the federal government's tax net, has the potential to turn a deterrent to the spread of banking habits and culture. It will therefore be encouraging financial exclusion — leading to the return of 'olden days' when people leave their monies under their pillows. Or have them buried within and/or around their abodes.

Forced TIN-link to bank accounts directly translates to coerced enlistment for taxation as was done in the colonial days, with its attendant social upheavals — including stiff resistances, protests and skirmishes. Many of such 'forced taxation' turmoil are known to have even led to wars of sorts!

The Federal Government of Nigeria since the inception of democracy in 1999 has been implementing a financial inclusion strategy. The policy is intended to include everybody in the society by giving them basic financial services without looking at a person's income or savings. Financial inclusion mainly focuses on providing reliable financial solutions to the economically underprivileged sections of the society without having any coercion.

Still, in the mode of taxing Nigerians to the hilt, the federal government earlier this year had to 'fly a kite' by announcing the imposition of what it termed Cybersecurity tax. Government said the tax was to fund national cybersecurity initiatives and address growing cyber threats. Under the tax policy, a certain percentage of levy is to be charged on every bank transaction carried out electronically. The tax rate is specifically 0.5 percent of all electronic transactions. However due to outcry and concerns about the economic implications of such a tax, it was 'suspended' via a Presidential fiat.

Without a doubt, one of the direct economic implications of the cybersecurity levy, if implemented, would have been a deterrent to cashless economy initiatives. This is because if people have to pay tax by utilizing digital channels in their banking transactions, they certainly would look for other alternatives. This could translate to aversion to banking and digital transactions generally — a veritable counterpoise to cashless economy efforts.

In the guidelines towards the collection of the cybersecurity levy, in May 2024, the Central Bank of Nigeria (CBN) had said that "financial institutions are required to deduct the levy at the point of electronic transfer origination and reflect it in the customer's account with the narration "Cybersecurity Levy." Also, deductions were to commence within two weeks of the CBN Guidelines (issued on May 6, 2024) "with monthly remittances to the National Cybersecurity Fund (NCF) account domiciled at the CBN by the 5th business day of every subsequent month." Indeed, all were really set!

The move by the current administration to implement the cybersecurity levy drew so much public ire especially for its timing. Worthy of note is the fact that the levy has been in the tax laws since about 2015, but the current administration unfurled it for implementation apparently in desperation for improved revenue generation. Yet, the government had on not a few occasions, assured Nigerians that it won't be imposing new taxes and levies on the citizenry anymore.

Today, apart from the numerous taxes and levies, the government has through the removal of real and imaginary 'subsidies' on a number of goods and services increased the financial burden on the people. Under the guise of subsidy removal, the federal government had come up with the hiking of electricity tariff. The Nigerian Electricity Regulatory Commission (NERC) said it introduced the Service-Based Tariff (SBT) to ensure that electricity tariffs paid by end-users reflect the quality of service delivered by Distribution Companies.

However, despite the hiking of the tariff by over 300 percent for various bands (of consumers), the quality of electricity supply has been deteriorating rather than otherwise. Since after the tariff hike, hardly has any week passed without the national grid collapsing, leaving the entire country in pitch darkness for days. Same applies to fuel subsidy removal in May 2023.

From below N200 per litre of Premium Motor Spirit (PMS) in May 2023, the price of the commodity has been surging, hitting over N1100 per litre in various parts of the country by end-October 2024. This has caused quite a lot of macroeconomic distortions: runaway inflation, rising poverty level, worsening misery index, spiralling cost of transportation and foodstuffs, and collapse of consumer purchasing power, etc.

With all these, perhaps only the few Nigerians that survive the prevailing hardship would get to the whimsical Eldorado. But in the words of the revered Economics Nobel Laureate, Maynard Keynes, "in the long run, we are all dead." After all, economic policies are for the living. And certainly not for the dead!

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SEC boosts MSME expansion with crowdfunding, digital equity platforms

Joy Agwunobi

The Securities and Exchange Commission (SEC) has announced plans to support Small and Medium Enterprises in accessing capital by offering shares to investors through online platforms, allowing backers to receive equity stakes and participate in the businesses' profits and growth.

Speaking at the 2024 National MSME conference, Emomotimi Agama, the director general of SEC, represented by Samiya Hassan Usman, the executive commissioner for corporate services, emphasised that digital platforms would play a vital role in driving sustainable growth for SMEs.

He emphasised that the significance of promoting innovation-driven economic growth is encapsulated in the conference theme, "GROW Nigerian: Sustaining a Digital and Innovation-Driven Economy."

He further stated that the SEC's 2021 crowdfunding guidelines play a key role in accomplishing this goal by establishing the regulatory structure for online equity platforms that offer clear investment opportunities.

Equity crowdfunding platforms need to be registered with the SEC and follow regulatory guidelines, such as maintaining accurate records.

He noted that the SEC has implemented investment restrictions tied to income or net worth in order to safeguard retail investors. Agama noted that SEC has renewed its dedication to creating a positive atmosphere for MSMEs to obtain funding, expand their companies, and use financial technology to grow.

He added that the capital market provides MSMEs with the opportunity to secure long-term funding for expanding operations, investing in technology, and engaging in international trade through equity, bonds, and other financial tools.

"By aligning the 'GROW Nigerian' initiative with capital market resources, we can help unlock the potential of these enterprises and drive sustainable economic growth," he remarked.

He hailed the Ministry of Industry, Trade, and Investment, along with the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), for their unwavering dedication to MSME development. He expressed optimism that the conference outcomes would result in new strategies and partnerships to further empower MSMEs and secure Nigeria's economic future.

"Our shared commitment to unlocking the potential of MSMEs is essential for creating an innovation-driven economy, and the capital market must remain a vital enabler in this process," he concluded.

How prepared is Nigeria for UNFCC COP29?

ABUBAKAR A. NUHU-KOKO

Abubakar A. Nuhu-Koko of the Sokoto Energy Research Center (Energy Commission of Nigeria), Usmanu Danfodiyo University, Sokoto, is a researcher in petroleum policy and economics, and founder and pioneer executive director, The Shehu Shagari World Institute for Leadership and Good Governance, Sokoto, Nigeria. He can be reached on +234 706 330 6887 or aanuhukoko4000@gmail.com

LAST YEAR IN THE COUNTDOWN to COP28, held at Dubai, United Arab Emirates (UAE), I raised this same question above. However, Nigeria's participation at COP28 raised a lot of dust and heat; mostly on the size of the entourage that represented Nigeria and not the substance it presented at the Epic Summit; attended by President Bola Ahmed Tinubu for the first time as President of Nigeria.

I hope lessons have been learned following the aftermath of COP28 in the preparations for this year's COP29 to be hosted by Azerbaijan.

What I expect of President Bola Ahmed Tinubu of Nigeria, or his representative, is to acknowledge that it is crucial for Nigeria to prioritise its focus areas, since the main objectives of COP29 include, but not limited to:

Climate Finance: Securing a new climate finance goal that addresses the needs of developing countries, with a focus on grants and highly concessional finance for low-income and climate-vulnerable nations, including sub-Saharan Sahelian countries.

Article 6: Carbon Markets: Finalising the rules for carbon markets to drive real emissions reductions and prevent greenwashing.

Loss and Damage Fund: Growing the fund to support countries already impacted by climate change.

Adaptation: Prioritising adaptation and securing resources for National Adaptation Plans (NAPs).

For Nigeria, key areas of interest and focus should, among others, be:

Climate Finance: Advocating for increased climate finance to support Nigeria's transition to renewable energy and adaptation efforts.

Adaptation and Resilience: Enhancing support for National Adaptation Plans (NAPs) and promoting climate-resilient agriculture practices.

Loss and Damage: Pushing for meaningful implementation of the Loss and Damage Fund to support countries already affected by climate change.

Energy Transition: Promoting a just transition to renewable energy and phasing out fossil fuel subsidies.

Nigeria can leverage and catalyse these key issue areas to ensure its interests are well and adequately represented and contribute to global efforts to address climate change.

Secondly, Nigeria needs to update its Nationally Determined Contributions (NDCs) in view of the new realities on the ground at the moment since the last time they were reviewed and updated:

Nigeria's Nationally Determined Contributions (NDCs) were submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in two phases. Initially, the country presented its Intended Nationally Determined Contributions (INDCs) in 2015, which outlined its plans to reduce greenhouse gas emissions.

Key Components of Nigeria's NDCs:

- *Emissions Reduction Goal:* Nigeria aims to reduce its greenhouse gas emissions by 47 percent by 2030, compared to business-as-usual levels.

- *Sectoral Action Plans:* The country has developed sectoral plans for energy, agriculture, transportation, and waste management to achieve its emissions reduction goal and target.

- *Financial Needs:* Nigeria has identified financial needs for mitigation and adaptation efforts, including support for climate-resilient infrastructure and agriculture.

Updated NDC Submission (2021)

In 2021, Nigeria submitted an updated NDC, which builds upon its initial submission and provides more detailed plans for achieving its emissions reduction goal. The updated NDC outlines specific actions, including:

Transitioning to Renewable Energy: Increasing the share of renewable energy in the energy mix.

Energy Efficiency: Improving energy efficiency in industries and buildings.

Sustainable Agriculture: Promoting climate-resilient agricultural practices.

These efforts demonstrate Nigeria's commitment to addressing climate change and reducing its carbon footprint. For more detailed information on Nigeria's NDCs, one can visit the UNFCCC website.

Furthermore, there is a need to put strong emphasis on **"loss and damage and resilient agricultural practices."**

The Loss and Damage Fund is a critical mechanism to support countries vulnerable to climate change impacts. For instance, some explanations of the fund's principles, access, and benefits for Nigeria include:

Loss and Damage Fund Principles

1. *Addressing economic and non-economic losses:* The fund aims to compensate for losses beyond adaptation and mitigation efforts.
2. *Climate justice:* Recognising the historical responsibility of developed countries for climate change.
3. *Vulnerability-focused:* Prioritising countries with limited financial resources and high climate vulnerability.

Accessing the Loss and Damage Fund

1. *United Nations Framework Convention on Climate Change (UNFCCC) membership:* Nigeria is already a member.
2. *National Adaptation Plans (NAPs):* Nigeria needs to develop and submit NAPs to access funding.
3. *Country-specific proposals:* Nigeria must submit project proposals aligned with NAPs and UNFCCC guidelines.
4. *Funding windows:* Apply through various funding windows, such as the Green Climate Fund (GCF) or Adaptation Fund.

Eligibility Criteria

1. *Vulnerability index:* Nigeria's high climate vulnerability ranking.
2. *Economic need:* Nigeria's limited financial resources.
3. *Climate change impacts:* Documented evidence of climate-related losses and damages.

Benefits for Nigeria

1. *Financial support:* Access to funding for climate-related losses and damages.
2. *Enhanced resilience:* Support for climate-resilient infrastructure and agriculture.
3. *Capacity building:* Technical assistance for climate change adaptation and mitigation.
4. *Global advocacy:* Nigeria's voice amplified in international climate negotiations.

Steps for Nigeria to Access the Fund

1. *Strengthen national institutions:* Establish a dedicated climate change department (already done by President Bola Ahmed Tinubu)
2. *Develop bankable projects:* Prepare feasible project proposals.
3. *Enhance climate data collection (much still needs to be done):* Improve climate data management; much still needs to be done in terms of robust digital Databases and human technical capacities building and development.
4. *Engage international partners:* Collaborate with UN and other multilateral agencies, bilateral partners, and development partners/NGOs.

Potential Projects

1. Climate-resilient agriculture practices
2. Flood control and management
3. Climate-proof infrastructure
4. Early warning systems
5. Ecosystem restoration

Key Partners

1. United Nations Development Programme (UNDP)
2. Green Climate Fund (GCF) and Great Green Wall initiative (GGWI)
3. Adaptation Fund
4. African Development Bank (AfDB)
5. International Fund for Agricultural Development (IFAD)
6. Islamic Development Bank (ISDB), etc.

By understanding the Loss and Damage Fund principles and eligibility criteria, Nigeria can effectively access and benefit from this critical funding mechanism.

Climate-resilient agricultural practices

Crop Management

1. Agroforestry: Integrating trees into farming systems.
2. Conservation Agriculture (CA): Minimising soil disturbance, maintaining soil cover.
3. Crop diversification: Planting multiple crops to reduce vulnerability.
4. Climate-tolerant crop varieties: Using drought-tolerant, heat-tolerant, or flood-tolerant crops.
5. Cover cropping: Planting crops between cash crops to reduce erosion.

Soil Management

1. No-till or reduced-till farming: Minimising soil disturbance.
2. Organic amendments: Using compost, manure, or green manure.
3. Mulching: Applying organic materials to retain moisture.
4. Integrated Soil Fertility Management (ISFM): Combining organic and inorganic fertilisers.

Water Management

1. *Rainwater harvesting:* Collecting and storing rainwater.
2. *Drip irrigation:* Efficient water use.
3. *Flood-based irrigation:* Using flood water for irrigation.
4. *Conservation tillage:* Reducing soil disturbance to minimise runoff.

Livestock Management

1. Climate-resilient breeds: Raising breeds adapted to local climate conditions (National Livestock Development Initiative recently unveiled by President Bola Ahmed)
2. Rotational grazing: Managing grazing to maintain soil health.
3. Silvopastoral systems: Integrating trees into pasture systems.
4. Manure management: Using manure as fertiliser.

Integrated Farming Systems

1. Aquaponics: Combining aquaculture and hydroponics.
2. Agro-pastoralism: Integrating crops and livestock.
3. Permaculture: Designing diverse, resilient farming systems.
4. Biodynamic farming: Using natural materials to enhance soil fertility.

Climate-Smart Agriculture (CSA) Technologies

1. Precision agriculture: Using technology for efficient resource use.
2. Solar-powered irrigation: Renewable energy for irrigation.
3. Weather-based crop insurance: Insuring against climate-related losses.
4. Mobile apps for climate information: Providing climate data to farmers.

Ecosystem-Based Adaptation

1. Ecological restoration: Restoring degraded ecosystems.
2. Agroecology: Fostering biodiversity in farming systems.
3. Sustainable land management: Preventing land degradation.
4. Climate-resilient forest management: Managing forests for climate resilience.

Examples of climate-resilient agricultural practices in Nigeria include:

1. The Nigerian government's "Green Alternative" initiative promotes agroforestry and conservation agriculture.
2. The International Institute of Tropical Agriculture (IITA)'s climate-resilient maize and cassava varieties.
3. The African Agricultural Finance Facility (AAFF)'s support for climate-resilient agricultural projects.
4. The recently unveiled National Livestock Development Initiative and the creation of the first ever Federal Ministry of Livestock Development; and also, the first ever Federal Ministry of Regional Development to coordinate the activities of the various Regional Development Commissions established

These practices enhance farmers' resilience to climate change, improve productivity, and promote sustainable agriculture.

Lastly, (but not the least); the novel and innovative Nigeria's Livestock Development Initiative is indeed a crucial step towards enhancing climate resilience in the sector. This initiative focuses on building resilience in Nigeria's livestock systems to combat climate change and variability. By strengthening livestock systems, Nigeria aims to reduce the impact of climate change on agriculture, a critical sector for the country's economy.

Policy Framework

Nigeria's Climate Change Policy Response and Strategy (NCCPRS) provides a comprehensive framework for addressing climate change. The policy outlines critical elements for climate change mitigation and adaptation.

International Cooperation

Nigeria's participation in global initiatives, such as the United Nations' Climate and Clean Air Coalition, demonstrates its commitment to addressing climate change.

Conclusion

While specific details on the initiative's progress and impact are limited, Nigeria's efforts to enhance climate resilience in the livestock sector are promising. More information can be found from The World Bank's reports on climate-resilient development in Nigeria and the recent interim report submitted to the President by the Committee on Livestock Development Reforms Initiative that is co-chaired by Professor Attahiru Muhammad Jega (the former chairman of the Independent National Electoral Commission (INEC).

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PROJECT SYNDICATE

Fascism in Our Time

HAROLD JAMES

Harold James is Professor of History and International Affairs at Princeton University. A specialist on German economic history and on globalization, he is a co-author of The Euro and The Battle of Ideas, and the author of The Creation and Destruction of Value: The Globalization Cycle, Krupp: A History of the Legendary German Firm, Making the European Monetary Union, The War of Words, and, most recently, Seven Crashes: The Economic Crises That Shaped Globalization (Yale University Press, 2023).

WITH TOP OFFICIALS from Donald Trump's previous administration publicly warning that he fits the definition of a fascist, reflections on interwar Germany's descent into barbarism have inevitably come to the fore. While the analogy is far from perfect, there are plenty of worrisome parallels.

PRINCETON – No one knows how the US presidential election will turn out. One possibility is that the Trump bubble will finally burst, allowing for a return to normalcy in America and around the world. But it is also possible that the United States will lurch toward a radical militarized authoritarianism that would establish a new norm for despots elsewhere.

Political scientists are hardly the only ones to see worrisome historical resonances here. According to Donald Trump's longest-serving chief of staff, General John Kelly, the former president "fits the definition of fascist," by which he means "a far-right authoritarian, ultranationalist political ideology and movement characterized by a dictatorial leader, centralized autocracy, militarism, forcible suppression of opposition, belief in a natural social hierarchy."

Modern US-style fascism has obvious roots in the past. In his 2004 novel, The Plot Against America, Philip Roth was drawing on real historical figures and events to present his counterfactual scenario in which Charles Lindbergh is elected president on a radical isolationist, anti-Semitic "America First" program. And some analysts and historians would look back even further, not just to the 1930s, but a century earlier, to the populist rhetoric and promiscuous racism of President Andrew Jackson.

In any case, episodes of democratic collapse always give rise to the same anguished question. Has some particular feature of the culture gradually eroded the political system, or are we dealing with a deeper, innate human tendency that can only ever be held in check by the right institutional arrangements (like those brilliantly outlined by Alexander Hamilton, John Jay, and James Madison in the Federalist Papers)?

The iconic case of a descent into barbarism is, of course, interwar Germany. To explain the country's slide into political violence, fascism, militarism, and ultimately genocide, some analysts have pointed to inherent German cultural proclivities – from Martin Luther's fierce anti-Semitism to nineteenth-century German liberals' abdication in the face of raw political power and Bismarck's "blood and iron."

Like this year's US contest, the German elections of the 1930s were very close. In each case, Adolf Hitler and his party won a significantly smaller share of the vote than Trump is likely to receive in November. After winning a 37% share in the July 1932 election, the Nazi Party slid to 33% in the November 1932 contest. Even in the unfree election of March 1933 – when the Communist Party was banned and voters were subjected to mass intimidation – the Nazi vote was under 44%. Hitler himself won only 30% of the vote in the first round of the spring 1932 presidential election, and 37% in the second round.

Thus, Hitler was not swept into power by a vast wave of support. Rather, he owed his political ascent to the response from traditional institutions: the army, the bureaucracy, the police force, and above all the business community.

Like corporate America today, German captains of industry were divided. Many were suspicious of the Nazis, but even they didn't fully recognize the radicalism of Hitler's agenda. Georg Solmssen, the CEO of Germany's largest bank (Deutsche Bank), had been baptized as a Protestant, but his grandfather had been a rabbi, and his father had been a banker who went into finance because Jews were excluded from the civil service. This calm, intelligent man saw the Nazis as a threat largely because of the socialist and populist elements of their program; their rabid anti-Semitism, he assumed, was just a tactical electoral ploy.

Solmssen did not comprehend what Nazism was about until April 1933, when it was too late. He was hardly alone. Many decent people lacked the imagination to grasp the extent of the violence that Hitler would soon unleash.

The assumption within the German establishment was that the demagogue could be tamed. But this dangerous view was based on an illusion.

After all, the broader political context had fundamentally changed. The post-World War I reparations system, established at the 1919 Versailles peace conference, had severely constrained Germany and limited its room for maneuver; but by 1933, the international system had already disintegrated. Two years earlier, the Japanese army had provoked a border incident in Manchuria and then flooded across the frontier, ignoring the League of Nations and its covenant forbidding "aggression."

Moreover, with the global economy suffering through the Great Depression, there were few incentives to keep playing by the rules of the old economic system. Nationalism and autarky thus became increasingly attractive as costless strategies to pump up German living standards.

Again, there are ominous parallels with the current moment. Most, if not all, international institutions are showing signs of their age, and the United Nations system has been paralyzed by divisions over Russia's war on Ukraine and Israel's campaigns against Hamas, Hezbollah, and – perhaps soon – Iran.

Unlike in the early 1930s, however, the world economy is still very much interconnected and interdependent. Thus, any move toward genuine autarky would not be painless. On the contrary, the costs would be glaringly obvious to Americans and the rest of the world, and to financial markets above all.

In this context, it is stunning to hear prominent financial figures like BlackRock's Larry Fink argue that the US election "really doesn't matter" for markets. Why won't leading figures like Warren Buffett come out and say something? They seem to be reproducing the behavior of German business leaders before January 1933.

Precisely because international economic connections can restrain national political action, severing them risks causing a major financial shock. Depending on how this election plays out, there could soon come a time when Americans (and everyone else) will be very grateful for the constraints that come with a globalized economy. Few events are more sobering – and more discrediting to those pushing bad policy – than a financial meltdown that destroys voters' livelihoods and degrades their living standards.

VISIONARY VOICES

Prosperity Requires a Healthy Planet

AXEL VAN TROTSENBURG

Axel van Trotsenburg is Senior Managing Director of Development Policy and Partnerships at the World Bank.

WASHINGTON, DC – Progress on poverty reduction has slowed almost to a standstill in recent years. With nearly 700 million people still living on less than $2.15 per day, the world is far from the goal of eradicating extreme poverty by 2030. At the current pace, it will take at least three decades to reach this target, and more than a century to lift everyone above the poverty line of $6.85 per day used for upper-middle-income countries. Today, 44% of the global population falls below this threshold.

Tepid economic growth, the COVID-19 pandemic, ongoing conflicts, and the escalating climate crisis have disrupted – and even reversed – a quarter-century of extraordinary progress, during which the share of the world's population living in extreme poverty plunged from around one-third to one-tenth. While high-income countries have largely recovered from these setbacks, extreme poverty in the poorest countries is still higher than in 2019, and their growth is expected to be weaker than in the decade before the pandemic. And as global warming accelerates, nearly one in five people will likely experience an extreme weather event from which they will struggle to recover, exacerbating poverty.

According to the World Bank's new Poverty, Prosperity, and Planet Report, altering this trajectory requires recognizing that poverty, shared prosperity, and climate risks are interconnected. In response, countries must foster faster and more inclusive growth while also shielding people from the effects of climate change.

Addressing inequality can play an important role in achieving these interconnected goals. In the world's most unequal countries, economic growth leads to a smaller reduction in poverty. If every country experienced annual per capita income growth of 2%, it would take another 60 years to eliminate extreme poverty. But if the Gini index – a measure of income inequality – in every country were to decrease by 2% annually, that target would be reached in 20 years.

High levels inequality also prevent the less well-off from climbing the socioeconomic ladder, depriving them of opportunities to improve their lives. Delivering better-functioning labor markets, investing in education and health, and strengthening social safety nets would enable poor people to benefit from economic growth.

Each country's path forward should be tailored to its specific circumstances in order to deliver the best possible outcomes across these dimensions while managing tradeoffs. For low-income countries supported by the World Bank's International Development Association (IDA), that means promoting faster and more inclusive growth and increasing investment in public services and infrastructure to improve access to education and create jobs. Because these countries are home to 70% of all people living in extreme poverty and produce minimal greenhouse-gas (GHG) emissions, their anti-poverty efforts do not come at a high environmental cost.

The focus in lower-middle-income countries should be on delivering sustained growth and shared prosperity, and improving the efficiency of policies to boost income, build climate resilience, and keep GHG emissions in check. Scaling up investment in climate mitigation is especially important because the emissions of many middle-income countries are projected to rise over the coming decades. Such investments could also lead to better health outcomes – for example, by reducing air pollution.

Lastly, upper-middle-income and high-income countries, which account for four-fifths of global carbon dioxide emissions, must rapidly phase out their dependence on fossil fuels and lead the green transition. Although GHG emissions are projected to decline under current policies, the pace is not nearly fast enough to limit global warming.

Ending poverty and boosting shared prosperity on a livable planet requires bold policy choices, coordinated global action, and a significant increase in financing for sustainable development, which would allow low-income countries to invest in improving the lives and livelihoods of their people.

Today, the world has a historic opportunity to overcome the injustices and mitigate the dangers of entrenched poverty, systemic inequality, and climate change. We must not squander this chance to make meaningful, lasting progress toward broad-based prosperity.

LinkedIn phishing scams fuel spread of CovertCatch malware across key industries

Joy Agwunobi

THE NATIONAL INFORMATION TECHNOLOGY Development Agency (NITDA) has issued an alert concerning a new malware threat known as "CovertCatch."

This sophisticated malware targets both individuals and organisations by leveraging LinkedIn as a distribution channel, a tactic that exposes unsuspecting users across sectors such as defence, media, technology, and academia to potential data breaches, financial losses, and reputational harm.

According to NITDA, CovertCatch is particularly concerning due to its ability to infiltrate systems undetected, collect sensitive information, and enable subsequent attacks, like ransomware, once embedded in a network.

"CovertCatch poses significant dangers as it remains undetected while recording keystrokes, capturing screen activity, and stealing data," NITDA noted in its advisory. The agency described the tactics used by cyber attackers, explaining that threat actors often masquerade as recruiters or job opportunity providers on LinkedIn, luring users into clicking on malicious links or downloading infected files. "By posing as trusted sources on professional networks, cybercriminals increase their chances of infiltrating networks and causing harm," NITDA noted.

The agency went on to emphasise the serious consequences for sectors that rely heavily on data security, explaining that CovertCatch could compromise critical infrastructure if it gains access to sensitive industry networks. "The spread of CovertCatch malware via LinkedIn poses major risks to organisations and individuals alike."

Zenith Bank's pre-tax profit doubles to N1trn in Q3'24

Onome Amuge

ZENITH BANK PLC HAS REPORTED a profit before tax of N1 trillion in its unaudited results for the third quarter ended September 30, 2024, representing a 99 per cent growth compared to N505 billion reported in the same quarter in 2023.

The bank's management attributed the financial growth to its resilience and market leadership despite the challenging macroeconomic environment.

Zenith Bank Plc's stellar performance in the third quarter of 2024 translated to significant growth in its bottom line, as reflected in its unaudited financial results presented to the Nigerian Exchange (NGX).

The triple-digit growth in profit before tax also resulted in a 91 per cent increase in profit after tax, from N434.2 billion reported in the third quarter of 2023 to N827 billion in the same period in 2024.

The robust growth in Zenith Bank's revenue, or topline, was propelled by an expansion in both interest income and non-interest income.

Interest income experienced a 190 per cent increase, reaching N1.95 trillion, largely due to the favourable high-yield environment in the Nigerian financial market.

Zenith Bank also reported a significant increase in non-interest income, up by 41 per cent to N856 billion. This growth was primarily driven by a substantial rise in fees and commissions.

L-R: Odunayo Sanya, executive director, MTN Foundation; Ganiyu Oseni, special adviser, Broadband, Innovation and Technology, Lagos State; Mosun Belo-Olusoga, MTN director; Monsignor Jerome Oduntan, education director of Catholic Mission Schools; Dennis Okoro, MTN director and Martina Mmagu(,rev sister) School Administrator, OLASS, at the commissioning of the newly refurbished science laboratories at the Our Lady Apostles Secondary School (OLASS), Yaba, Lagos recently, IMAGE BY PIUS OKEOSISI

According to the bank, the improvement in profitability was a result of its emphasis on operational efficiency and robust risk management practices. This performance translated to a near doubling of earnings per share (EPS), rising from N13.82 to N26.34.

Zenith Bank's balance sheet experienced significant growth in the third quarter of 2024, with total assets increasing by 49 per cent to a formidable N30.4 trillion. This expansion was largely fueled by customer deposits, which surged by 42 per cent to N21.6 trillion, indicating the bank's deepening penetration and customer loyalty.

The bank reported broad-based growth in deposits across both corporate and retail segments.

In a similar trajectory, gross loans also saw a 46 per cent increase, reaching N10.3 trillion, reflecting Zenith Bank's commitment to supporting key sectors in the Nigerian economy.

Despite its aggressive growth, Zenith Bank maintained a robust capital adequacy ratio, improving to 21.9 per cent, significantly higher than the minimum regulatory requirement. This strong capital position allowed the bank to remain well-capitalised and resilient in the face of potential risks.

The return on average equity (ROAE) also increased to 37.8 per cent, up from 35.1 per cent in the same quarter of the previous year, while return on average assets (ROAA) improved to 4.3 per cent, indicating the bank's ability to optimise its asset base and generate returns for its shareholders.

In the third quarter of 2024, Zenith Bank saw its cost of funds increase to 4.3 per cent, in line with the broader market trend of rising interest rates. However, the bank maintained a disciplined approach to risk management, keeping its cost of risk steady at 7.3 per cent.

Zenith Bank's cost-to-income ratio increased to 39.5 per cent, as the bank continued to invest strategically in technology and capacity building to support its long-term growth objectives.

Zenith Bank's asset quality continues to be a key differentiator, with a non-performing loan (NPL) ratio of 4.5 per cent, well within regulatory limits, demonstrating the bank's ability to manage risk effectively.

A high coverage ratio of 198.4 per cent showcased the bank's disciplined approach to risk management, allowing it to maintain a robust financial position and weather market volatility while pursuing stable loan growth.

FBN Holdings revenue soars 134% to N2.25trn in 9 months

Onome Amuge

FBN HOLDINGS PLC recorded a 134 per cent growth in gross earnings during the first nine months of 2024, rising from N962.40 billion in the same period of the previous year to N2.25 trillion.

The increase in gross earnings was revealed in the unaudited financial results submitted to the Nigerian Exchange Limited (NGX), recently.

Driven by a remarkable 164.6 per cent surge in interest income, FBN Holdings Plc's revenue saw a significant improvement, growing from N617.1bn in Sep 2023 to a record N1.63tn in the same period of 2024.

Despite a 94.8 per cent increase in operating expenses, from N347.5 billion to N676.8 billion, the financial institution's profitability also registered impressive growth, with profit before tax and profit for the period rising by 128 per cent and 125.8 per cent year-on-year respectively, from N236.4 billion to N533.9 billion.

Reflecting the financial institution's impressive growth trajectory, total assets soared by 62.3 per cent year-on-year, reaching N27.5 trillion. Customer deposits followed suit, increasing by 56.8 per cent to N16.7 trillion, while loans and advances (net) stood at N9.4 trillion.

Nnamdi Okonkwo, the group managing director of FBN Holdings, highlighted the financial institution's outstanding performance during the first nine months of 2024, noting that the "significant growth" achieved was driven by the effective execution of its strategic priorities.

Okonkwo stated further that despite the challenging macroeconomic environment, the Group remained focused on operational efficiency, customer-centric innovations, and prudent risk management, which enabled the company to create sustainable value for its stakeholders.

"Looking ahead, we remain focused on executing our digital transformation strategy, enhancing customer experience, and driving long-term growth," he added.

Strong interest income, asset growth drive GTCO's N1trn profit

Joy Agwunobi

GUARANTY TRUST HOLDING COMPANY (GTCO), one of Nigeria's leading tier-one financial institutions, has reported an after-tax profit of N1.08 trillion for the first nine months of 2024, driven primarily by a rise in interest income.

The company's report, based on data from the Nigerian Exchange Group (NGX), reveals that GTCO's interest income increased by 161 per cent year-over-year, reaching N980 billion compared to N374.5 billion recorded in the same period in 2023.

This rise in interest income has been linked to growth in average earning assets and higher yields. Additionally, net loans and advances to customers rose by 21.8 per cent during this period, attributed largely to the devaluation of foreign currency loans.

Operating expenses also climbed, mirroring the broader economic climate. GTCO's interest expenses grew by 158.2 per cent, reaching N198.9 billion, while customer deposits rose by 44.1 per cent. As a result, GTCO reported a net interest income of N781.5 billion, marking a 162.6 per cent increase from the N297.5 billion recorded last year.

In the area of fees and commissions, GTCO reportedly achieved notable growth with revenue in this segment rising by 97.3 per cent to N180.2 billion from N91.3 billion in 2023. This increase was largely driven by e-business income, which alone grew by 53.7 per cent and represented over a

quarter of the total fees and commissions.

Additional revenue streams, including account maintenance charges and ancillary banking services, also saw substantial increases, surging by 62.7 per cent and 217 per cent, respectively.

Despite these gains, GTCO faced challenges in other financial areas. According to the company, a total impairment loss of N63.9 billion on financial instruments, contrasting with a prior impairment write-back of N148.6 billion. The firm also encountered a foreign exchange loss, posting an unrealised FX loss of N1.7 billion compared to a gain of N92.2 billion in the same period last year.

Inflation and increased energy costs contributed to a 61.1 per cent rise in operating expenses, totalling N297.4 billion. However, GTCO's income from other sources rose by 65.9 per cent, mainly due to unrealised fair value gains on financial instruments, amounting to N523.2 billion.

In terms of cash flow, GTCO demonstrated strong operational efficiency, with net cash flow from operations reaching N1.87 trillion, a significant increase from N88 billion reported in 2023. Nonetheless, the holding company registered a negative cash flow from investing activities, totalling N1.14 trillion, largely due to investments in securities and property acquisitions. On the financing front, net inflows reached N122.1 billion, largely supported by proceeds from new borrowings that offset dividend payments and other liabilities.

During this period, GTCO paid dividends totalling N79.4 billion and addressed borrowings and lease liabilities amounting to N45.1 billion and N6.5 billion, respectively. New borrowings brought in N254 billion, pushing the net cash flow from financing activities to N122.1 billion in the first nine months of 2024. Consequently, the company's cash and cash equivalents increased by 102.8 per cent, reaching N4.28 trillion from N2.11 trillion recorded last year.

GTCO's total loans and advances grew by 46.1 per cent, rising to N3.2 trillion from N2.19 trillion, boosting the firm's total assets to N15.6 trillion. The bank also saw a 49.7 per cent increase in deposits and current accounts, which climbed to N6.65 trillion from N4.44 trillion. Total shareholders' funds rose, reaching N2.63 trillion from N1.63 trillion, underscoring GTCO's strengthened financial position through 2024's first three quarters.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	97,651.23	3.667.90	8,164.12	39,118.86	5,460.48	79,707.11	17,732.60
CURRENT	1.81	1.09	-0.19%	-0.12%	-0.41%	0.93%	0.71%
YEAR TO DATE	30.60	31.45	5.57%	3.79%	14.48%	3.66%	11.16%

TOP TRADERS

Company	Volume	Value
FIDELITYBK	540820582	7685457027
JAIZBANK	68724077	161467314.9
CHAMS	49392654	102124088.2
ZENITHBANK	40713728	1652642528
GTCO	22470581	1244063890

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	JOHNHOLT	N 3.00	N 3.30	10.00%
2	EUNISELL	N 5.11	N 5.62	9.98%
3	REDSTAREX	N 4.07	N 4.47	9.83%
4	WAPIC	N 0.84	N 0.92	9.52%
5	PZ	N 20.25	N 22.00	8.64%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	ARADEL	N 495.10	N 445.60	-10.00%
2	ELLAHLAKES	N 3.93	N 3.54	-9.92%
3	MULTIVERSE	N 8.80	N 7.95	-9.66%
4	MCNICHOLS	N 1.56	N 1.41	-9.62%
5	CUSTODIAN	N 12.90	N 12.00	-6.98%

COMMODITIES

SYMBOL	PRICE	CHANGE	%CHANGE	VOLUME
OIL	80.12	-0.01	-0.01	540
BRENT	82.64	0.01	0.01	91,282
NAT GAS	2.182	0.054	2.54	10,501
RBOB GAS	2.451	0.001	0.04	1,658
GOLD	2,402.90	3.8	0.16	51,560
SILVER	29.24	-0.059	-0.2	16,227
COPPER	968.6	-5.3	-0.54	7,361
PALLADIUM	4.231	-0.006	-0.14	20,751
WHEAT	900	-2.3	-0.25	1,493
SOYBEAN	501.5	UNCH	UNCH	0
CORN	551	8.25	1.52	6,825
SUGAR	1,112.25	15	1.37	3,621
COFFEE	411	6.25	1.54	21,948
COTTON	18.65	-0.01	-0.05	3,867
ROUGH RICE	238.7	0.5	0.21	1,412
COCOA	71.06	0.36	0.51	1,828
	14.39	0.15	1.05	54

NGX market capitalization sheds N1.2trn as equities lose across board

Onome Amuge

NIGERIAN INVESTORS suffered a dismal trading week, losing a colossal N1.2 trillion in market value as the equity capitalisation of the Nigerian Exchange (NGX) dropped from N60.26 trillion to N59.03 trillion.

Despite a positive N801 billion gain in the previous week, the NGX faced steep declines across all five trading days of the week, resulting in an N1.2 trillion drop in market capitalisation.

The losses were felt across the board, with equity capitalisation falling from N60.26 trillion to N59.03 trillion.

The NGX All-Share Index (ASI) followed a similar trajectory, depreciating by 2.03 per cent over the week to close at 98,070.28 points, down from the previous week's closing value of 97,432.02.

Compared to the previous week, there was a decline in the number of stocks that increased in value, with only thirty-nine (39) equities appreciating, lower than the fifty-eight (58) equities that experienced gains in the previous week.

The number of equities that lost value increased to forty-five (45), higher than the eighteen (18) recorded in the previous week.

Moreover, the number of equities that remained unchanged at sixty-eight (68) was lower than the seventy-six (76) recorded in the previous week.

L – R Jude Chiemeka ,CEO, Nigerian Exchange Limited (NGX); acting managing director, Norrenberger Asset Management Limited, Pabina Yinkere and Queen Ehi-Uujamhan, group chief financial officer, Norrenberger, during the Closing Gong Ceremony by Norrenberger Group commemorating the listing of the Norrenberger Islamic and Turbo Funds on the Exchange recently in Lagos.

The Nigerian equities market began the week on a negative note, with investors suffering a loss of N414 billion on Monday, October 28, 2024, as the market closed in the red.

The downward trend persisted on Tuesday, October 29, 2024, as the market closed with a further loss of N394.37 billion.

The trend of losses continued to plague the Nigerian equities market throughout the week, with investors losing an additional N21.11 billion on Wednesday, October 30, 2024, as the market closed lower for the third consecutive day.

Thursday, October 31, 2024, was another challenging day for the market, as investors sustained losses of N225.41 billion.

The challenging week came to a close on Friday, November 1, 2024, with investors suffering yet another day of losses as the NGX closed the trading session with a N132 billion decline.

The week's trading on the NGX saw an increase in volume and value of shares traded, as investors moved a total of 2.717 billion shares worth N54.632 billion in 46,848 deals, compared to the previous week's volume of 2.142 billion shares valued at N85.946 billion traded in 41,217 deals.

The Financial Services Industry dominated trading activity, accounting for 67.01 per cent of total equity turnover volume and 53.01 per cent of total equity turnover value, with 1.821 billion shares worth N28.958 billion traded across 20,173 deals.

In second place was the ICT Industry, with 389.848 million shares worth N6.560 billion traded across 2,515 deals, contributing 14.34 per cent to the total equity turnover volume.

The Conglomerates Industry took third place, with a total of 160.993 million shares valued at N4.746 billion changing hands across 3,623 deals, making up 5.92 per cent of the total equity turnover volume.

Fidelity Bank Plc, Chams Holding Company Plc, and United Bank for Africa Plc emerged as the most actively traded stocks this week, accounting for a combined 1.225 billion shares worth N17.721 billion traded across 4,912 deals.

This represented 45.10 per cent of the total equity turnover volume and 32.44 per cent of the total equity turnover value.

Transnational Corporation Plc emerged as the biggest gainer this week, with its share price appreciating by 314.03 per cent, followed by Eunisell Interlinked Plc, which witnessed a 60.57 per cent increase in its share price.

John Holt Plc was also among the top gainers, recording a 20.00 per cent increase in its share price.

The negative performance of the week was led by Aradel Holdings Plc, which experienced the largest percentage decline in share prices, shedding 25.75 per cent of its value.

Caverton Offshore Support Group Plc and Ellah Lakes Plc also experienced significant losses, with the former shedding 20.00 per cent of its share prices and the latter recording a 12.59 per cent drop in its share price.

Norrenberger strengthens Islamic finance portfolio with NGX debut

Onome Amuge

NORRENBERGER GROUP, an integrated financial services firm, has successfully listed two of its flagship funds - the Norrenberger Islamic Fund (NIF) and the Norrenberger Turbo Fund (NTF) - on the Nigerian Exchange Limited (NGX).

The listing of both funds is registered as Collective Investment Schemes (CIS) by the Securities and Exchange Commission (SEC).

The Norrenberger Islamic Fund caters to investors who value adherence to Shariah principles and have both short-term and long-term investment goals.

On the other hand, the Norrenberger Turbo Fund is a mutual fund primarily focused on fixed-income assets such as bonds, offering a solid option for investors seeking to generate returns through a diversified portfolio of government and corporate securities.

Pabina Yinkere, acting managing director of Norrenberger Group, celebrated the listing of the Norrenberger Islamic Fund (NIF) and Norrenberger Turbo Fund (NTF) on the NGX at the Closing Gong Ceremony, on Tuesday, heralding the event as a momentous achievement in the firm's history.

According to Yinkere, the listing will help the asset management firm expand its reach and provide a wider range of investment solutions to Nigerians through its mutual funds.

He said, "So for the Islamic fund, the objective is to invest ethically, to invest in line with the principles of Islamic finance.

"But generally, it's not only for Muslims or people of the Islamic faith. Anybody can invest in it, because the overriding fundamentals of this fund, what it simply means, is that, you are investing ethically, investing in instruments or avenues that do not support gambling, that does not support pornography, that does not support crime, and dealing in ammunition and things like that.

"So it makes it a very ethical investment for just anybody, not only for Islamic people of the Islamic faith, and for the Turbo Fund, what it does, it provides an avenue for investors to be able to access a market that is seemingly out of reach of many individual investors."

The Norrenberger Group's acting managing director reiterated that the funds have been consistently ranked in the top quarter of their respective categories since their inception and are top performers within those categories.

Jude Chiemeka, chief executive officer of the Nigerian Exchange Limited, applauded Norrenberger Group for creating new investment opportunities in the Islamic finance market, thereby deepening the NGX and providing investors with more options to diversify their portfolios.

Chiemeka stated, "We have 63 mutual funds that are listed on our exchange, and that begins to speak to our desire to create opportunities for retail investors to invest in our market. We have five Islamic products that are listed.

Transcorp streamlines capital structure with 75% share reduction

Onome Amuge

TRANSNATIONAL CORPORATION Plc has completed a share capital reconstruction, reducing its total issued shares by 75 per cent from N40.6 billion to N10.2 billion, Owen Omogiafo, the group president, announced in a statement on Monday.

Omogiafo stated that the share capital reconstruction was executed with the long-term interests of shareholders in mind, as it is intended to enhance shareholder value without affecting the overall worth of their investments.

The share capital reconstruction involved a share consolidation ratio of 1 to 4, meaning that every four shares held by a shareholder were converted into one share, resulting in a streamlined capital structure for the company.

According to Omogiafo, "This share reconstruction is in line with the Company's corporate strategy and growth plan and is aimed at maximizing shareholder value."

Omogiafo f explained that this move will help bring the company's capital structure to a manageable position, a testament to Transcorp's dedication to enhancing shareholder value by taking actions that align with its business objectives.

The group president also noted that the initiative demonstrates its commitment to maximising shareholder value by undertaking strategic actions that are in line with its business objectives.

"Transcorp Plc remains committed to driving growth and creating value for its shareholders," he stated.

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

NAICOM unveils new minimum capital requirement for Insurance sector

Joy Agwunobi

THE NATIONAL INSURANCE COMMISSION (NAICOM) has unveiled an exposure draft titled 'Insurance Risk-Based Capital Regulation, 2024,' aimed at refining capital standards for insurance companies.

This release was made known through a circular (No: NAICOM/TD/SUP/FA) addressed to the CEOs of insurance institutions and signed by Oluwatoyin Charles, director of the supervision directorate, on behalf of the Commissioner for Insurance.

The draft specifies new minimum capital requirements for the insurance sector. It states, "The minimum capital requirements prescribed for the purposes of the Act is: in the case of a non-life insurer, N10 billion; in the case of a life insurer, N8 billion; in the case of a reinsurer, N20 billion."

According to NAICOM, the circular outlines that the concept of Risk-Based Capital (RBC) hinges on globally recognized standards, aligning with the Insurance Core Principles (ICP) 17. The regulation adopts a comprehensive "total balance sheet approach" to establish regulatory capital requirements, focusing on critical risk categories such as Insurance, Market, Credit, and Operational risks.

In its communication, NAICOM emphasised, "We are pleased to forward the draft Insurance Risk-Based Capital Regulation 2024 (RBC Regulation) as attached. The concept of Risk-Based Capital refers to the principle for assessing Capital Adequacy adopting globally accepted regulatory standards for supervision of the insurance institution in line with Insurance Core Principles (ICP) 17."

L-R: Bolarinwa Gbolahan, partner, Vantage Markets; Yetunde Hassan , business development manager, Vantage Marketing; head, Bab-Es-Salam Home, Imam Hassan Idris Tahir one on the Items from regional manager Africa, Vantage Markets, Ted Odigie, and Ehi Mare Okogbenin, market research analyst, during the presentation of food items to Bab-Es-Salam Home to mark Vantage Markets 15th anniversary in Lagos recently.

The commission further clarified, "To ensure the draft RBC Regulation is effective and practical, we invite your feedback and comments on the draft. Your input will greatly contribute to the finalisation of the Regulation. Kindly provide your feedback on or before 11th November 2024 via email."

The circular reiterates that the key objective of this regulation is to ensure that insurers maintain capital levels commensurate with their risk profiles. Insurers are expected to develop and implement internal capital management policies. The regulation, the draft noted, would apply to all insurers registered under the Act, wherever applicable.

Regulated entities are expected to submit their feedback by the November 11, 2024 deadline.

AIICO Insurance rallies support for Nigeria's agribusiness

Joy Agwunobi

AIICO INSURANCE PLC has called on the need for collaborative efforts among stakeholders to rejuvenate Nigeria's agricultural sector, placing a strong focus on the critical role of insurance.

During a recent training session held for members of the Nigerian Association of Insurance and Pension Editors (NAIPE) in Lagos, Leonard Okereafor, the Agric & Emerging Risk Manager at AIICO, highlighted the essential contribution of insurance to the sustainability of Nigeria's agriculture and agribusiness landscape.

Speaking at the event, Okereafor drew attention to how insurance acts as a safety net for farmers, stabilising their income and boosting their capacity to secure loans. This financial security, he noted, can help farmers concentrate on increasing productivity without being overwhelmed by potential risks. He elaborated that insurance creates room for strategic partnerships and fosters confidence among farmers, establishing it as an effective risk management mechanism.

According to him, the country's agricultural transformation hinges significantly on embracing agribusiness, which extends beyond basic farming practices. He described agriculture as being primarily about cultivating land, growing crops, and rearing livestock, while agribusiness encompasses the entire value chain — from input supply, farming, and processing to marketing, retail, and export activities.

He explained that, unlike traditional agriculture, which is often small-scale and focused on food production, agribusiness adopts a broader and more commercial approach aimed at market competitiveness and profitability. However, Okereafor acknowledged that Nigeria's agribusiness sector still faces several challenges. These include restricted access to modern agricultural technology, inadequate extension services, poor market linkages, and a lack of financial solutions tailored to the unique needs of agribusinesses. He stressed that overcoming these barriers requires concerted action and innovative strategies to unlock the full potential of the sector.

Turning to AIICO's initiatives, Okereafor highlighted the company's diverse agricultural insurance offerings tailored to Nigerian farmers and agribusiness investors. He explained the difference between Indemnity and Index-based insurance, stating, "Under Indemnity insurance,

Allianz Commercial advocates proactive risk strategies amid rising cyber insurance

Joy Agwunobi

AS DIGITAL TRANSFORMATION accelerates, the looming threat of cyber incidents is becoming a critical challenge for businesses around the world. Recent findings from the Allianz Commercial Cyber Security Resilience Report for 2024 have highlighted a sharp rise in both the frequency and severity of cyber claims, particularly large-scale claims exceeding €1 million.

According to the report, these high-value claims rose by 14 per cent in just the first half of the year, while their overall severity increased by 17 per cent . This escalating trend has prompted Allianz Commercial, the global line of Allianz Group that specialises in insuring mid-sized businesses, large enterprises, and specialised risks, to sound the alarm on the need for stronger cyber risk management strategies.

Mukondeleli Masiza, a Complex Claims Handler at Allianz Commercial, recently delivered key insights on the issue at the SNG Grant Thornton Cyber Security Awareness Summit held at The Radisson Blu Gautrain Hotel in Sandton. During her presentation, titled "Risk Transfer as a Tool in Cyber Risk Mitigation: Cushioning the Blow through Cyber Insurance," Masiza emphasised the urgent need for businesses to adopt proactive approaches to tackling cyber risks, with a particular focus on the role of cyber insurance.

Masiza's presentation revolved around three core pillars of cyber risk mitigation: early detection, swift action, and risk transfer solutions. She stressed the importance of employing advanced detection tools to automate and expedite crucial tasks like forensics and notification, which ultimately lead to better crisis management. "Early detection minimises financial and reputational impact by allowing for quicker isolation of impacted systems and data," Masiza explained.

Allianz Commercial's research indicates that companies using AI and automation in their cybersecurity frameworks can reduce the costs associated with data breaches by an average of $2 million.

The second critical aspect is swift action, which Masiza described as essential for stopping a cyber incident from escalating into a full-blown crisis. She recommended developing robust incident response plans and conducting regular drills to prepare teams to act decisively in the face of a breach. "Swift action following early detection can stop a cyber incident from escalating, facilitating faster recovery and restoration of normal operations," she stated, reinforcing the necessity for businesses to remain agile in their response.

Central to Masiza's message was the vital role that cyber insurance plays in shielding businesses from the financial blow of cyber incidents. "Cyber insurance provides financial coverage for various costs associated with data breaches, including IT forensic investigations, data recovery, and system restoration," Masiza elaborated.

However, she pointed out that the benefits of cyber insurance go beyond financial compensation. Insurers often offer valuable advisory services, linking businesses to expert consultants and response teams for more effective loss prevention and mitigation.

Masiza provided an overview of the comprehensive support available to Allianz Commercial's insured clients. She explained that upon reporting a new incident, the claims team at Allianz Commercial engages immediately with the affected company, coordinating with IT forensic experts, attorneys, and PR specialists to assess the situation, implement containment measures, and initiate a thorough investigation.

Masiza's presentation also touched on underwriting considerations that are crucial when businesses seek to secure cyber insurance. Insurers, she explained, evaluate several factors during the underwriting process, including a company's industry, size, risk profile, and existing cybersecurity measures. "It's important to assess data governance standards, transparency in the use of consumer data, and cybersecurity measures within the supply chain," Masiza noted, emphasising the need for businesses to maintain robust cyber hygiene.

For companies aiming to secure cyber-related coverage, Masiza advised enlisting the services of experienced brokers with a track record in placing specialised cyber insurance policies. "Brokers play a vital role in explaining complex insurance terms, assessing specific business needs, tailoring policies, and conducting thorough risk assessments to identify potential vulnerabilities and recommend mitigation strategies," she said.

Masiza further reiterated Allianz Commercial's commitment to protecting not only businesses but also the families dependent on the salaries earned by employees of those businesses. "Allianz Commercial understands that insurance is designed to protect the dreams of business owners and the families dependent on the salaries earned by the employees of such entities. A huge part of our role is to protect those dreams by ensuring that our Insured is up and running as soon as possible," she noted.

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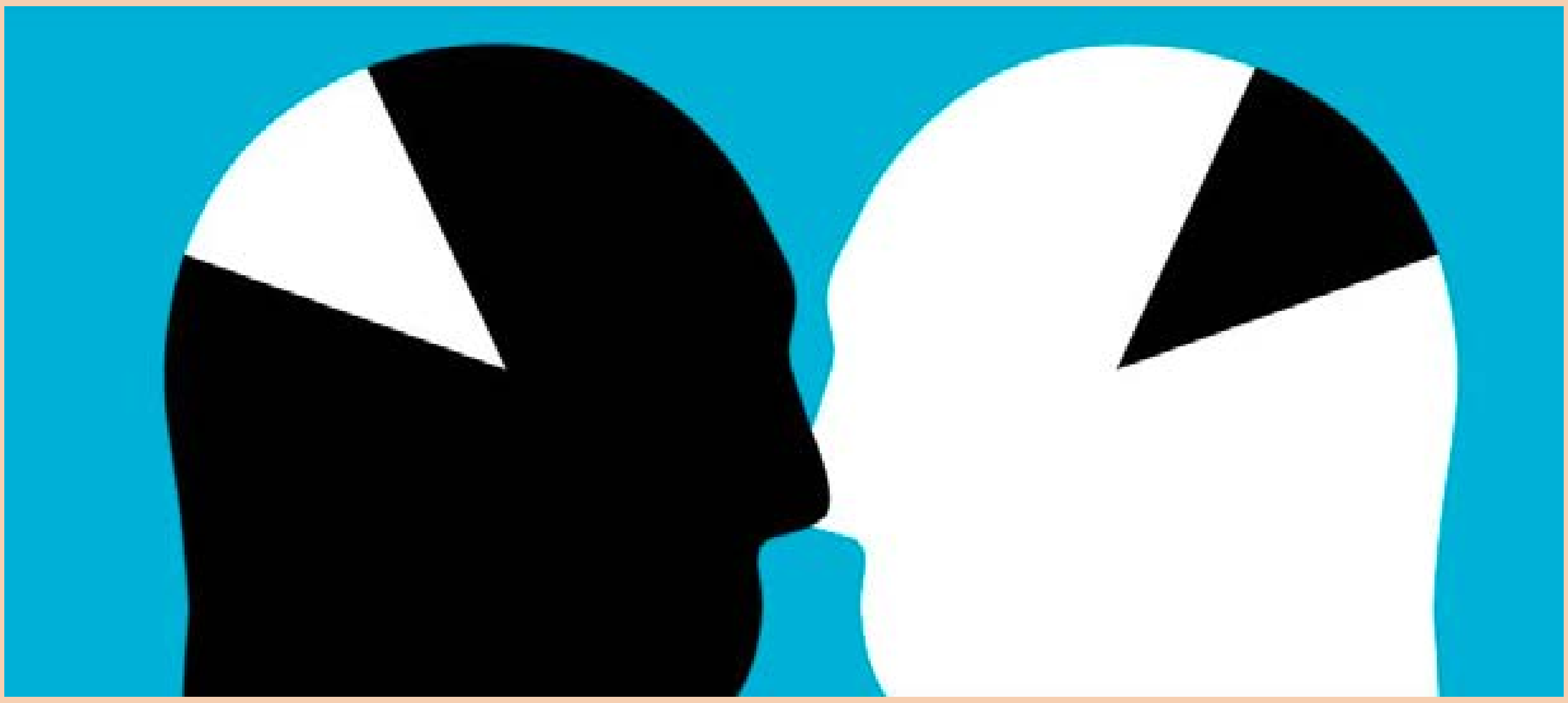


How Race Can Impact Sourcing Decisions

WINNING CONTRACTS from buyer firms is crucial to the survival of small businesses – but racial bias can get in the way.

Racial discrimination and inequality are pressing issues throughout the world. Notably, a 2021 report by McKinsey revealed that unless progress accelerates, it could take up to 320 years to eliminate existing gaps in outcomes for White and Black Americans and achieve racial equality.

Given the interpersonal nature of racial discrimination, it has been researched in relation to labour, housing and peer-to-peer markets, which has led to the creation of protective laws. Surprisingly, whether and how racial discrimination affects inter-corporate dealings remains largely unexplored, potentially due to the assumption that business-to-business relationships are immune from such bias.

While this may be the case for formalised trade relationships between large firms, racial bias could creep in in less formal settings, with negative implications for more vulnerable small businesses. If so, entrepreneurial activity, which is widely regarded to be a prime tool for addressing the racial wealth gap, cannot fulfil its promise.

In our research published in Production and Operations Management, we investigated whether racial discrimination influences sourcing decisions. The survival of businesses – particularly small, minority-owned ones – depends on winning contracts from buyer firms. The presence of racial bias in sourcing would suggest that entrepreneurship cannot serve its function as an organic economic-levelling mechanism. Uncovering whether discrimination exists in sourcing is therefore of utmost importance to help create and steer policies and managerial guidelines.

What's in a name?

We ran a series of controlled experiments to study whether racial discrimination affects sourcing decisions. These focused on two stages of the procurement process, which are the key responsibilities of a procurement manager: order management and supplier selection. Study participants – individuals in the United States who held a management role – were randomly assigned to either a control or treatment condition.

Our aim was to analyse if the race of the sales manager (on the supplier side) affected the procurement manager's choice in selecting a supplier. To do so, we manipulated the buyer's perception of the sales manager's race by using names that, according to prior research, are perceived as racially distinctive. Additionally, we conducted a test on the perceptions of race associated with first and last name combinations to ensure they were perceived as racially distinctive for the purposes of our study.

In the control condition, participants assumed the role of a procurement manager and were presented with the choice between two suppliers with "White" names (i.e. Todd Meyer and Brad Hershberger), where one of the suppliers offered the buyer a lower price. In the treatment condition, participants were also asked to choose between two suppliers. However, in this case, the supplier offering a cheaper unit price had a "Black" name (Lamar Jackson) while the other had a "White" name (Brad Hershberger).

We found that participants were 6.5 percent less likely to opt for the supplier presenting a lower price when the latter had a distinctively "Black" name. While 61.6 percent of participants in the control group chose the cheaper supplier, only 55.1 percent of those in the treatment group made the same choice. The difference was statistically significant. This effect was observed when controlling for the race and gender of the buyer, and additional analysis confirmed the robustness of our findings.

The effect of racial bias in sourcing

Overall, our findings indicate that there may be considerable racial bias when it comes to making sourcing decisions. One could say that in real life, where procurement and sales managers are likely to interact in person (which leaves no room for race perception mistakes), discrimination could be even more pronounced than the extent we detected in our experiments.

Even when organisations are committed to responsible operations, they may unknowingly become discriminatory buyers and perpetuate the racial divide through the actions of their procurement managers. This can significantly hurt the businesses' profitability by limiting its supplier pool, as potential suppliers who may have been a good fit for the company are eliminated due to racial discrimination. As a result, buyer firms may be left with higher-cost suppliers, as well as a smaller supplier base than what is optimal. This consequently leads to an increase in procurement costs, impacting the firm's bottom line.

If, instead, buyer firms can eradicate racial bias in supplier selection, they are more likely to include more suppliers that are owned and operated by individuals from underrepresented or underserved groups. This could increase the size of their supplier base and decrease procurement cost. What's more, increasing the ratio of minority-owned suppliers would help improve the corporate social responsibility (CSR) profile of the company.

The road ahead

We suggest that procurement bias training and supplier diversity programmes (where firms set targets for purchases from minority-owned suppliers) can help improve profitability by expanding the firm's supplier pool. Procurement bias training would help procurement managers build awareness on how bias could impact supplier selection, as well as provide tools to help them recognise and mitigate their own implicit biases. Supplier diversity programmes may result in guidelines that stipulate a minimum percentage of suppliers that are owned and operated by individuals from underrepresented and underserved groups.

Our findings can inform the ongoing policy debate on the importance of corporate diversity legislation. In the US, there are currently limited regulations that require organisations to promote corporate diversity, and existing ones are often challenged in court. To address the issue of racial bias in sourcing decisions, equal opportunity laws (similar to those in place in the labour market) could be required specifically for the sourcing context. Their adoption can help enhance the CSR profile and profitability of the affected firms.

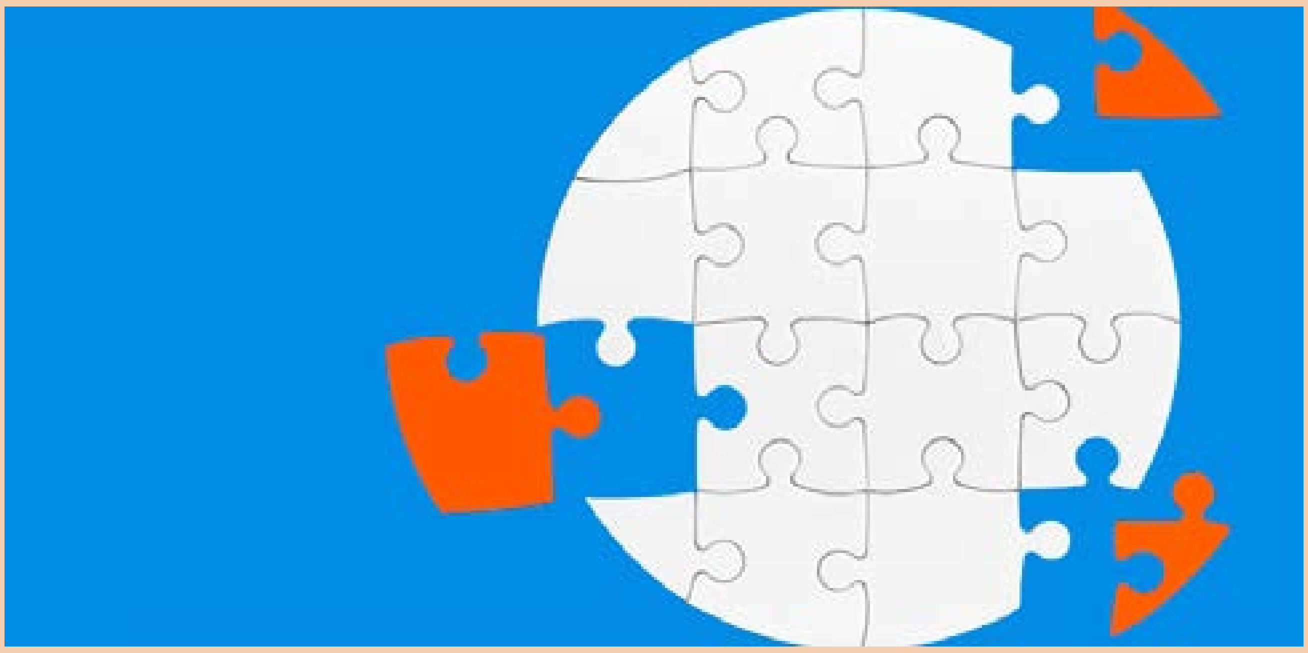
We are witnessing an intense backlash against corporate diversity, equity and inclusion (DEI) efforts in the US, alongside a shifting policy debate around DEI. Indeed, it was reported that Microsoft recently axed its entire DEI team, while other organisations including Meta, Google and Home Depot have made deep cuts to their DEI programmes. Minority-owned businesses are bearing the brunt of this alarming pivot, with Black business owners reporting a decrease in the support they experienced previously in terms of investment opportunities and access to capital.

Our research suggests that corporate DEI programmes – particularly those that deal with supplier diversity – are not only the responsible thing to do but can also be beneficial for business. Beyond supplier selection, organisations should also recognise that the diversity of their workforce can influence the diversity of their supplier base and should therefore work to improve both aspects simultaneously.

LEADERSHIP & ORGANISATIONS

DEREK DEASY
Senior Affiliate Professor of Organisational Behaviour

ENOCH LI
Enoch is an expert on leadership, resilience, and well-being in the workplace. At INSEAD, she programme directs, teaches, and consults in Executive Education Programmes, such as the INSEAD Coaching Certificate, Management Acceleration Programme, and various Company Specific Programmes.



Understanding The Whole Picture

THE BENEFITS OF group coaching for organisational change and impact.

Leadership happens in groups, as does most work. Without followers, who and what are we leading? As such, leaders must understand what groups need if they want to maximise performance. While most leaders should be familiar with the idea of executive coaching on an individual basis, they may know less about the benefits of group coaching.

Much of individual performance is influenced by the context, and so efforts to improve performance must factor in the team culture if they want to effect sustainble cultural change. When organisations seek out group coaching, they send a message that teamwork and interpersonal dynamics really matter and that leaders understand that effective leadership is about the relational space between leaders and followers. Groups need structure and containment if leaders want the team and the people within it to function effectively.

Structure and containment

Structure is the visible, obvious and explicit expression of leadership. This can be manifested in the strategic direction, vision, implementation and articulation of the shared purpose – in other words what the group does together. Most leaders talk about leading using words that relate to structure, but structure is ineffective without containment.

Containment is implicit and less obvious. It refers to sensemaking and boundary management – or how the group operates together. Containment is a psychological concept developed by British psychoanalyst, Donald Winnicott. He proposed that there is a need for predictable boundaries so that children have the space to fall down but can learn from the experience. Containment gives structure through the boundaries of time, task and territory, without stifling innovation, flexibility and initiative.

Leaders need to prioritise containment for their team. They need to give them room to explore, make mistakes, develop and relate to each other through sometimes difficult emotional experiences to achieve intended outcomes – and learn from those experiences. This is a key skill for leaders, but one which very few understand as a necessary, and even vital leadership function.

More to the problem than meets the eye

Group coaching is particularly effective when there is a misalignment between structure and containment within a team. It exposes leaders to different interpretations of the same situation, presenting an opportunity to engage with a diversity of ideas.

Imagine this scenario: Jo consistently shows up late to team meetings and does not deliver tasks within the pre-agreed timeframe. Everyone else on the team is frustrated. Jo is disappointed in themself. When the team cannot produce the required output as part of a broader process, Jo gets referred to as "the bottleneck". Members of the team start to joke that "It's at Jo's desk" whenever there is a delay, even if the delay is not Jo's fault.

Jo has been working on improving. The company is supportive of Jo attending training courses on time management and working with an executive coach to facilitate behavioural change.

While it looks like the company is supportive of development and generous with its resources, the underlying thinking is that if Jo's performance improves, then there will be no more "bottlenecks". Implicitly, the interpretation is that the problem lies solely with Jo. This is actually scapegoating, where one person bears all the responsibility for the organisation or team's shared challenges.

It's not that Jo has no responsibility for the performance shortfall, but there may be other factors taking place at the team level. Perhaps the time boundaries are unclear, or Jo carries the performance anxiety of the whole team. Group coaching allows the whole team space for discussion around where the anxiety lies, with whom and for what reason.

Understanding that contextual factors may impact the individual's performance can lead to a richer appreciation of which kinds of culture promote or inhibit performance. It also digs below the surface of what most would simply interpret as a behavioural issue with one individual.

Expanding perspectives

For an organisation, group coaching is a statement that development is as important as performance, because group coaching is less about individual capabilities and more about the culture of relationships.

Often, we jump to conclusions about the source of the problem. This does not help since the diagnosis of a performance issue dictates the outcome of the intervention. Before making that decision, stop and ask the question "Is the problem only where we think it is?" Group coaching opens us up to possibilities and alternatives to the "fix the individual" perspective that many of us habitually hold.

The notion that individual behaviour is actually a message from a group can be challenging to accept but is an important factor to consider when diagnosing a performance issue. This is why the INSEAD MBA Personal Leadership Development Programme (PLDP) includes individual coaching, group coaching and intergroup coaching. Developed by INSEAD professors and leadership consultants the learning methodology is based on a systems psychodynamic approach – an understanding that the unconscious influences us more than we know and that groups have their needs.

How group coaching works

Group coaching is a vital ingredient for experiential learning and typically involves participants taking part in emotionally and mentally stimulating (and sometimes physically challenging) activities together. It is not about team building; instead, participants are asked to experience the present moment because joining, forming and becoming a group is hard work. They need to discover how they experience themselves, how they are experienced by others, and how they might influence and be influenced by the group.

Coaches create containment for participants to experience each other beyond who they say (or think) they are on a surface level. Who we are evolves, which influences what we do and how we exercise leadership. The ability to keep up with our own versions of ourselves, is an insight into how we might diagnose problems differently and exercise leadership in different contexts.

This approach generates exponentially more data and observations to better explore the underlying group dynamics: how does the group make decisions, how does it form its culture and what unknowingly derails the group from its articulated goal. Maybe it is the stress or uncertainty of the whole group felt by one person, maybe it's the realisation that they are more different or related to others than they originally thought, or maybe it's just the joy of finding new ways to relate to each other.

Group coaching acts as the container for the group to learn about itself without overamplifying the individual's influence, allowing everyone to be implicated in the change and development. Seeing conversations from different angles allows leaders to consider different possibilities and solutions to a challenge. Ultimately it prevents them from reverting to the same dysfunctional team dynamics.

Working relationship

Effective group coaching promotes the autonomy of the team to explore and embrace its own dynamics to improve its performance and development. An effective and impactful relationship between the coach, the team and the individuals is one of give and take. That means generating questions for each other, paying attention to the signs that participants pick up from each other in the group setting, and discussing what those patterns might mean to the group culture they are forming.

Leaders need to choose a competent group coach who can avoid getting drawn into excessive teaching or facilitating. Although counterintuitive, a coach doing less often provides more value to a team invested in developing their own capacity for containment. The implicit goal of group coaches is their own redundancy, because this means the team has matured.

Aim for the bigger picture

For managers and leaders in organisations, it's vital to consider the full choice of interventions at your disposal. Consider what you are prioritising – and potentially overlooking.

Organisations typically ask managers to fix the problem of underperformance. However, if leaders are serious about holistic change, they need to prioritise development and learning for all their team members. They need to be prepared to feel a range of emotions, perhaps even embarrassment, in a group coaching setting. They need to realise they are often part of the problem, and they need tolerate feelings of uncertainty as the team navigates the possibilities that they don't yet understand.

Individual coaching is only one piece of the puzzle, while group coaching gives a channel to reveal the broader picture. Leaders who work with groups at a systems psychodynamic level can bring richer insights and longer lasting shifts in habits.

Group coaching allows for more profound solutions that go beyond a quick, surface-level fix. What it takes is members who are motivated and secure enough to explore the root causes of the dynamics at play and are willing to own a part of the responsibility and emotional experience of working with each other.

FINANCE & ACCOUNTING. MANANGEMENT

Selling Your Business? Why You May Get More Selling to a Corporate Buyer Rather than a PE Firm

Seller shareholder returns are 1.5% lower on average when private equity firms buy divestitures from publicly held firms compared to corporate buyers, Wharton's Paul Nary finds in a new study.

PAUL NARY
Assistant Professor of Management

SHAREHOLDER RETURNS from divestitures by publicly held companies are lower in the short term when the buyers are PE firms, compared to those when the buyers are other companies or companies owned by PE firms, according to a paper based on a study by Wharton management professor Paul Nary, titled "Do Corporations Benefit from Divesting to Private Equity Acquirers? An Empirical Investigation."

Nary tracked shareholder returns from 1,055 divestitures by 308 publicly traded U.S. manufacturing firms over 14 years, between 1997 and 2010. Nearly 90% of those divestitures (932 deals) were to corporate buyers, while PE firms made up the remainder (123 deals).

The study found an average difference of 1.5% in shareholder returns for divesting companies between selling to PE acquirers and corporate acquirers. For a company valued at $10 billion, that would mean a difference in shareholder returns of $150 million, Nary explained. He defined shareholder returns from divestitures as the difference in share prices of the selling company one day before and after the announcement of the divestiture, after adjusting for overall market performance.

The study found further evidence of potentially higher value creation by strategic acquirers: Even across PE buyouts, "indirect buyouts" by PE acquirers, or acquisitions by companies they owned, fared better than "direct buyouts" by PE acquirers. For a hypothetical example, a shipping company sold directly to a PE firm would likely result in lower returns than if it were sold to another shipping company owned by a PE firm, Nary explained. "Indirect PE buyouts may be motivated by synergy-based sources of value like those pursued by corporate acquirers, even if the PE firm is the ultimate owner," the paper stated.

Yet the publicly held corporations that are on the receiving end of low returns in the short run may reap long-term gains, Nary said. With divestitures, sellers may free up capital and other resources, better position themselves for the future, and be more focused, he added, which may result in better long-term performance.

Why Private Equity Acquisitions Underperform in the Short Run

Nary explained why the returns to firms divesting to PE acquirers differ from those divesting to corporate acquirers. First, on average, the returns to shareholders of divesting firms are lower when they sell a business to a PE firm. Second, those lower returns are more likely to occur when the PE firm may expect to create less value, or when sellers choose to divest at a suboptimal time. PE acquirers' selection of target companies, that is differences between targets of PE firms versus targets of corporate buyers, did not impact shareholder returns.

The study highlights that PE firms distinguish themselves from corporate buyers in how they approach prospective acquisitions, according to Nary. "PE firms typically look for assets that are undervalued, assets that they can improve, or assets that are perhaps struggling because of market timing," Nary said. "They're looking to acquire assets where they can make a reasonably certain and quick enough return for their holding period."

Ownership structures also dictate value creation. PE acquirers have relatively shorter investment horizons (three to six years), compared to corporate acquirers who buy businesses to achieve synergies like economies of scale, and hold them for the long run.

PE acquirers may also time their transactions more strategically than corporate acquirers do. They may buy businesses at a time when the target company is financially challenged and earns low returns. For the selling company, such timing will be suboptimal because it would get a smaller purchase price than when it is performing well.

"Firms that are suffering financially, for example, tend to get much lower shareholder returns when divesting to PE acquirers versus firms that are in great financial health and divesting for the right reasons and at the right time, rather than because they're pressured by the market or the competitive environment," Nary said.

At the same time, PE acquirers' value creation strategies may interact, where higher returns from indirect buyouts could offset the negative effects of distress, the study suggested.

How Divestitures Affect Returns

Nary listed the various factors that drive the quality of shareholder returns from divestitures, citing prior studies. One, divestitures may improve the overall allocation of resources across firms and lead to better firm-level governance by matching divested businesses with comparatively more suitable owners. Two, divestitures enable companies to free up capital and other resources that they can reallocate to achieve performance improvements.

At the other end, strategic buyers may expect that the businesses they target will be complementary to their existing operations. They would also hope to create more value with the acquired business than if it were to stay with the divesting firm, which may benefit both the buyer and the seller. "The more value the acquirer expects to create, the more value there is potentially to be shared by the divesting firm," the paper stated. For example, an acquirer may be willing to pay a higher price for a divested business that promises high synergies for the buyer, especially if other acquirers may also be interested in that business, it added.

PE firms build their business model on their ability to select undervalued targets, increase the value of those targets during their ownership period, and optimally time their transactions, the paper noted. That timing is critical — when they buy a target firm, and when they exit their investment with a sale, which is mostly to another PE firm or a public share offering.

In 2021, PE firms participated in about 30% of all M&A deals. The most active acquirers and divesting firms in Nary's data set were prominent firms. For example, DuPont is both a top divesting firm and a top corporate acquirer. Dow Chemical, Motorola, Johnson & Johnson, Procter & Gamble, and Honeywell are some of the other top divesting firms, while General Electric, Emerson, and Solectron are the top corporate acquirers. The top PE acquirers were Sun Capital Partners, Gores Group, Platinum Equity, Arsenal Capital Partners, and Onex Corporation. Other prominent PE firms in the sample are Bain Capital, Carlyle Group, Kohlberg Kravis Roberts, and Cerberus Capital Management.

Significance of the Study

Drawing from the study's findings, the big question for publicly held companies is if it makes sense to divest businesses to PE firms. "At first glance, the answer seems to be no because the average short-term returns from these transactions may be comparatively worse than those from transactions with corporate acquirers," the paper stated. "Yet, the dynamics of value creation when divesting to PE firms are nuanced."

According to Nary, the evidence thus far has been "anecdotal" about the implications for firms divesting businesses to PE firms. The paper's empirical study advances the discussion by highlighting the dynamics of value creation in M&A transactions. Those dynamics are nuanced, especially when considering the characteristics of the divesting firm, the divested business, and the acquirer, and "especially when that acquirer is an idiosyncratic actor such as a PE firm, as opposed to the more commonly considered corporation," it added.

The paper called for more scholarly work that treats PE as a distinct form of governance and ownership, and PE firms as distinct actors in the market for corporate assets. In further research that is not part of the core paper, the study looked also at the bargaining dynamics of PE acquirers. PE firms have more experience than corporate acquirers in M&A transactions, and "they work harder to squeeze everything out at the negotiating table," Nary said.

Takeaways for Buyers and Sellers

Corporations that are looking to sell a business unit must find the best owner for that business, whether that is a corporate acquirer or PE acquirer. Corporate acquirers or companies owned by PE firms are most likely to pay the best price for a business that can potentially create much value and synergies for the right owner, Nary said. But if the business being divested does not offer much by way of synergies, then PE firms may be the only ones interested in the deal, and they may extract a discount from the seller, he added. "Private equity will buy anything, anytime, if the price is low enough."

The takeaway for PE firms is to build on the advantages with indirect buyouts, or add-on acquisitions to complement existing businesses in their portfolios. Some of that is already happening: "We're seeing a pattern of PE firms building portfolios through strategic, synergy-focused acquisitions and creating value that way," Nary said. "Some of the best-run and most profitable PE firms today engage in those types of strategies."

EXECUTIVE KNOWLEDGE SERIES

FINANCE & ACCOUNTING

Can Money Buy Happiness for Millionaires?

New research from Wharton's Matt Killingsworth suggests that happiness keeps increasing with income, far beyond expected.

MATTHEW KILLINGSWORTH
Senior Fellow

WE'VE ALL HEARD the saying that money can't buy happiness — but how true is that, really? In fact, research shows that people who have more money tend to be happier, though this association hasn't been proven at the upper end of the economic spectrum, like with those earning above $500,000 a year. New research from Wharton senior fellow Matthew Killingsworth sheds some light on this, suggesting that happiness continues to rise with income — even beyond the half-million-dollar mark.

If there's a point where money stops making a difference, Killingsworth said, it's probably much higher than we previously thought.

This isn't necessarily bad news. "It might seem simpler if happiness just leveled off once people had 'enough' money," Killingsworth said. "But the fact that happiness keeps rising does argue against some worrying possibilities, for example, that we're not chasing what really makes us happy — or that the economy isn't delivering what we truly want."

Happiness Grows with Income — Even for Millionaires

While there's plenty of research on money and happiness, most studies haven't looked at people earning high incomes. As a result, researchers have been left wondering if there's a point beyond which money stops mattering for happiness. Killingsworth's study, "Money and Happiness: Extended Evidence Against Satiation," breaks new ground by comparing the happiness levels of a large U.S. group with a wide range of incomes, to two groups of ultra-wealthy individuals. According to him, it could be the most expansive look at money and happiness at the upper end of the economic distribution.

"Research shows that richer people tend to be happier, but we don't really know how far that association extends," he said. "Few studies include people with high incomes, and almost none include people who are genuinely rich, so it's hard to tell if happiness plateaus beyond some modest level of income or wealth. The answer could be important for decisions around salaries, taxes, and financial planning."

For his study, Killingsworth looked at more than 33,000 working adults in the U.S. who reported both their life satisfaction and income. He then compared their responses to two groups of wealthy individuals from previous studies — one group of millionaires from around the world and another made up of people from the Forbes 400 list, the wealthiest Americans.

The findings are striking: Wealthy people are significantly happier than the highest earners in the ordinary income group, when comparing their levels of life satisfaction. While the study doesn't prove that money causes happiness, it adds to growing evidence that the two are closely linked. "This shows that the connection between money and happiness keeps growing, even well past incomes of hundreds of thousands a year," Killingsworth explained. "And the difference is big enough to be quite meaningful."

The Happiness Gap

What's especially noteworthy is the huge gap in happiness between the richest and poorest people. Low-income participants reported an average life satisfaction just above 4 on a 7-point scale, while the wealthiest groups scored close to 6 out of 7. In other words, income and wealth accounted for more than half of the difference in life satisfaction between people with low incomes and those with a perfect life satisfaction score.

Another key finding in the study is that the happiness gap between wealthy people and middle-income earners is much larger than the gap between middle- and low-income earners. For example, people earning $70,000 to $80,000 a year are a lot closer in happiness to those with low incomes than they are to the ultra-wealthy. In fact, the jump in happiness for the wealthy compared to middle-income earners is nearly three times as large as the difference between middle- and low-income groups.

In other words: Middle incomes are far from the peak of the "money-happiness curve," where levels of happiness are highest.

All groups used similar questions to measure life satisfaction, making it possible to compare them. The wealthy groups weren't asked about their moment-to-moment feelings, but because life satisfaction and real-time emotions are closely related in Killingsworth's research, it's plausible that these new results reflect how people feel on a daily basis as well. But more research would be needed to confirm that, said the researcher.

Money Is Only a Piece of the Happiness Puzzle

Killingsworth is careful to point out that because the financial difference between the richest and poorest groups are huge, money alone is unlikely to generate such a big difference in happiness for most people. He also warned that money is just one piece of the happiness puzzle—putting too much focus on money could hurt well-being if other important factors, like strong relationships or living a meaningful life, are neglected.

Still, this research pushes back against the idea that money only makes small differences in happiness, or that money stops mattering beyond a modest level of income. Killingsworth's findings suggest that money could have a major impact, especially when monetary differences are very large.

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

Access ARM Pensions seeks institutional support to drive Nigeria's $1trn economy goal

Business a.m.

ACCESS ARM PENSIONS, a leading pension fund management company in Nigeria, has urged long-term and institutional investors to actively invest in sectors that are vital for the country's industrialisation and economic growth.

Wale Okunrinboye, chief investment officer, Access ARM Pensions, stated this during his keynote address at the 9th Nigerian Association of Insurance and Pension Editors (NAIPE) conference in Lagos.

Okunrinboye underscored the necessity of coordinated efforts between pension funds, insurance companies, and other financial institutions, alongside the government, to achieve Nigeria's long-term economic target of becoming a $1 trillion economy.

The chief investment officer emphasised that successful economic transitions from underdeveloped to developed economies typically involve a robust industrialisation phase that then gives way to high-service sectors.

L-R : Temitope Yakubu, Interkool by Farm CI, winner Best Entrepreneur Award in the Innov'Up category, Samba Seye, managing director TotalEnergies Marketing Nigeria PLC., Emmanuel Abah, Waste2light Limited , Winner Best Sustainable and Affordable Energy Award in the Power'Up Category, Matthieu Bouyer, managing director upstream companies of TotalEnergies in Nigeria and country chair TotalEnergies Nigeria, Jacob Abiodun, winner Best Circular Economy Award in the Cycle'Up category, Igbuan Okaisabor, CEO Construction Kaiser Limited and Lead Juror in the TotalEnergies 4th Edition Startupper of The Year recently.

However, he noted that Nigeria, along with many sub-Saharan African countries, has largely bypassed the critical industrialisation stage, resulting in an over-reliance on the services sector.

Okunrinboye highlighted the importance of attracting investments, both local and foreign, as a key step towards Nigeria's transformation into a fully industrialised economy.

He implored pension funds and other long-term investors, who have traditionally favoured government securities, to consider diversifying their portfolios and investing in sectors that are critical for driving industrialisation.

Okunrinboye also noted that these strategic investments would not only support Nigeria's transition to a more diversified economy but would also provide investors with new opportunities for growth and returns in the long term.

The investment expert highlighted the vital role of pension funds and other long-term investors in driving Nigeria's transition to a fully industrialised economy.

He pointed out that, while pension funds have traditionally allocated a significant portion of their investments to government securities, the need for diversification and investment in critical sectors that can drive industrialization has been gaining traction in recent discussions.

"For long-term investments, pension funds, insurance companies, and the broader financial system, it's time to engage the economy, collaborate with the government, and work with stakeholders to develop financing arrangements that support critical projects.

These projects should help Nigeria achieve industrialisation and boost exports," he added.

NSIA Insurance sees changing financial, lifestyle needs driving insurance offerings

Business a.m.

AS INSURANCE COMPANIES work to create innovative and effective insurance products for their customers, they have realized the importance of taking a closer look at the financial goals, investment preferences, and lifestyle choices of their clients.

By diving deep into the unique needs and desires of each customer, insurance companies are able to craft insurance offerings that not only protect against the unexpected, but also support and enhance the lives of those they serve.

In a recent statement, Moruf Apampa, managing director and CEO of NSIA Insurance, emphasised the company's commitment to providing comprehensive insurance services at competitive rates, catering to the evolving financial, investment, and lifestyle needs of its diverse customer base, including corporate, commercial, and individual clients.

Apampa highlighted the crucial role of tailoring insurance products to meet individual client needs in enhancing customer satisfaction and loyalty.

"When our insurance solutions are tailored to the unique needs and aspirations of our customers, they can see the true value of their insurance plans, which leads to increased customer satisfaction and loyalty," he stated.

According to the CEO of NSIA Insurance, the valuable insights gained from the company's nationwide tour will play a key role in shaping the company's future strategies as it expands its reach and continues to provide high-quality products to Nigerians.

NSIA Insurance recently concluded its 2024 Roadshow, a significant initiative designed to enhance customer engagement and increase awareness about insurance services across Nigeria. The roadshow made stops in major cities, including Onitsha, Benin, Ibadan, Kaduna, and Kano, where the company interacted with diverse communities and emphasised the importance of insurance in protecting individuals and businesses from unforeseen risks and losses.

NSIA Insurance noted that the roadshow proved instrumental in deepening the company's relationships with its customers, offering interactive sessions that allowed individuals and businesses to gain a better understanding of the company's diverse insurance products and services.

Focusing primarily on its retail offerings, NSIA Insurance highlighted a comprehensive range of products tailored to the specific needs of individuals and small businesses in each region.

As part of its retail expansion strategy, the company introduced innovative and customer-centric products to meet the unique demands of the communities visited during the roadshow, underscoring its commitment to providing insurance solutions that cater to diverse needs.

The NSIA Insurance team engaged in meaningful discussions with local stakeholders, exploring various topics related to risk management, financial security, and the critical role insurance plays in supporting long-term goals.

These conversations not only served to enhance customer understanding of insurance solutions but also reiterated the company's vision to become Nigeria's leading provider of dependable and innovative insurance services, safeguarding lives, businesses, and assets throughout the country.

Continental Re. advocates continuous leadership development in insurance sector

Business a.m.

CONTINENTAL REINSURANCE, A leader in the reinsurance industry, has emphasised the importance of ongoing leadership capacity development to spur the growth and development of the insurance sector, and in turn, boost its contribution to the countries' gross domestic products (GDP).

A CEO Breakfast event organised recently by Continental Reinsurance in Lagos, saw a diverse gathering of insurance CEOs and senior executives from the industry, who gathered to discuss the evolving leadership landscape and the potential strategies to revitalise and strengthen their leadership brands.

One of the event's key speakers, Akin Oparison, a Senior Fellow at Lagos Business School, shared his insights on the importance of self-reflection and adaptability in the pursuit of impactful leadership, addressing the critical question of how leaders can continue to drive and enhance the impact of their respective industries.

Oparison spoke on the crucial role of leadership in driving impactful change in the underwriting sector, especially in the context of the insurance industry, during a presentation titled "Leadership Is Common Sense".

"In Nigeria we have the lowest penetration in Africa, and the informal sector of our economy is completely untouched by this industry, not because they don't need the services you provide but they are telling themselves, at great cost and pain, that they can do without you," he stated. In his address, Lawrence Nazare, group managing director of Continental Re, highlighted a major issue in the insurance industry in Nigeria, stating that, "Insurance penetration is primarily a distribution issue.

Noor Takaful records 123% profit growth as PAT hits N1.05bn in 2023

Joy Agwunobi

NOOR TAKAFUL INSURANCE LTD has experienced remarkable growth in its profitability for the financial year 2023, with a 123 percent increase in its profits compared to the previous year.

The surge in profitability has translated into an improved dividend payout for shareholders, with the company declaring a five kobo dividend per share, marking a significant increase from the three kobo dividend distributed in 2022.

Muhtar Bakare,the chairman, board of directors, disclosed the company's 2023 financial performance during its 7th Annual General Meeting, held recently in Lagos.

Bakare highlighted the significant growth in the company's Gross Written Contribution, which rose from 4.9 billion Naira in 2022 to N6.5 billion in 2023, representing a 30 percent increase.

He also highlighted the equally remarkable growth in Noor Takaful Insurance Ltd's Profit After Tax (PAT), which jumped from N468.5 million in 2022 to 1.05 billion Naira in 2023.

Bakare attributed these achievements to the company's dedication to its takaful and ethical model, which has been central to its growth strategy. He emphasised the company's commitment to innovation and its focus on financial inclusion as key factors driving their continued success.

VETIVA CAPITAL MANAGEMENT LIMITED

MARKET COMMENTARY FOR THE WEEK ENDED 1ST NOVEMBER, 2024

Focus for the week: PRESCO PLC 9M'24 Earnings - Elevated pricing sustains topline growth

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,667.90	3,708.36	(1.09)	31.45
NGX All Share Index	97,651.23	99,410.91	(1.81)	30.60
Market Cap (NGN bn)	55,239.42	56,256.33	(1.81)	34.99
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	21.62	21.71	(0.41)	10.71
182-Day T-Bill	25.90	26.96	(3.95)	20.47
364-Day T-Bill	24.91	24.52	1.60	14.71
2-Year FGN Bonds	19.84	19.71	0.64	7.69
3-Year FGN Bonds	19.90	18.81	5.81	7.75
5-Year FGN Bonds	20.41	19.81	3.01	7.11
7-Year FGN Bonds	20.95	18.08	15.87	7.15
10-Year FGN Bonds	18.81	18.80	0.06	4.32
20-Year FGN Bonds	17.70	17.70	0.00	3.50
INTERBANK MARKET RATES (%)				
NIBOR OPR	19.25	29.78	(10.53)	4.19
NGN EXCHANGE RATES (₦)				
USD/NGN	1666.72	1600.00	(4.17)	(90.48)
GBP/NGN	2166.73	2130.73	(1.69)	(89.66)
EUR/NGN	1816.72	1774.76	(2.36)	(83.27)
CNY/NGN	233.34	230.51	(1.23)	(84.23)
ZAR/NGN	95.00	92.80	(2.37)	(93.69)
USD/NGN FORWARDS				
1M	1599.95	1679.55	(1.21)	(74.30)
3M	1764.63	1754.42	(0.58)	(77.48)
6M	1848.62	1867.42	1.01	(80.81)
1Y	2024.79	2085.58	2.91	(86.26)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WOW Δ	YTD Δ
BANKING	1,001.07	0.19%	11.58%
CONSUMER GOODS	1,555.06	-0.22%	30.77%
INDUSTRIAL GOODS	3,451.92	-3.70%	27.27%
OIL & GAS	2,305.77	1.15%	121.06%
VETIVA 30 ETF	36.70	1.80%	35.93%
INSURANCE	447.02	-0.40%	39.22%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
JOHNHOLT	3.30	20.00%
UPL	3.30	10.20%
LIVESTOCK	3.83	12.32%
NAHCO	38.80	11.76%
SKYAVN	27.50	10.00%

Weekly Top 5 Losers

Stock	Closing Price (₦)	% Change
ABBEYBDS	445.60	-35.75%
CAVERTON	2.00	-20.00%
ELLAHLAKES	3.54	-13.59%
REGALINS	0.49	-12.50%
ROYALEX	0.83	-11.27%

Source: Vetiva Research

COST EFFICIENCY shines through in Q3'24

In Q3'24, revenue increased by 41% y/y to ₦40.5 billion, primarily driven by strong domestic and global CPO prices. Interestingly, cost of sales recorded a slower growth of 16% y/y, highlighting PRESCO's cost efficiency despite the current FX situation. More so, gross margin expanded by 8ppts y/y to 72%.

Elsewhere, operating costs rose by 21% y/y to ₦6.8 billion, with most pressure coming from the Selling and Distribution expenses (+64% y/y: ₦685 million), reflecting the rising cost of AGO. Nonetheless, EBIT margin came in higher by 7ppts to 66%, buoyed by the cumulative impact of the strong growth in revenue and other income (+19% y/y: ₦816 million). In absolute terms, EBIT increased by 59% y/y to ₦20.4 billion. On the other hand, although finance income increased by 822% y/y to ₦193 million, it was unable to offset the 100% surge in finance costs to ₦4 billion, causing net finance expense to increase by 92% y/y to ₦3.8 billion. However, PBT came in strong, increasing by 53% y/y to ₦16.6 billion. Overall, after accounting for a tax expense of ₦3.7 billion, PAT increased by 53% y/y to ₦12.8 billion.

Navigating headwinds, delivering strong results

For 9M'24, revenue increased by 67% y/y to ₦128.5 billion, reflecting the strong demand and higher pricing of palm oil derivatives, across the three quarters, especially PRESCO's premium products. Additionally, we believe that the rise in global prices (+35.9%) for the 9M'24 period, contributed to the price hike in the domestic market.

Meanwhile, even though input costs remain vulnerable to FX volatilities, PRESCO recorded a slower cost expansion of 29% y/y, giving rise to an 8ppts y/y expansion in gross margin to 72%. For operating expenses, the hike in AGO prices remains the bane for PRESCO, driving Selling and Distribution costs higher by 69% y/y to ₦1.8 billion. Overall, operating expenses increased by 45% y/y to ₦23.1 billion. However, EBIT margin improved by 9ppts to 58% y/y, with EBIT rising by 98% y/y to ₦74.9 billion. Although FX gains declined by 15% y/y to ₦3.2 billion, PBT increased by 111% y/y to ₦67 billion. After accounting for a tax expense of ₦15.3 billion, PAT printed at ₦51.7 billion (+121% y/y).

Global supply constraint, a blessing in disguise

Crude palm oil (CPO) has seen substantial price appreciation in global markets, with a 44.8% surge since the beginning of the year. Looking ahead, tight production conditions in major palm oil-producing nations suggest that CPO will likely maintain its price advantage relative to alternative edible oils.

That said, we expect this to influence prices in the local market, thereby sustaining the financial performance of PRESCO in Q4'24.

That said, we forecast revenue growth of 79% y/y to ₦184 billion and value PRESCO at a 12-month TP of ₦525.17 with a HOLD rating.

What shaped the past week?

Equities: In the week, the local equity market witnessed mixed sectoral performances, with the bears coming out on top. At Friday's close, the market recorded a 1.09% loss w/w to settle at 97,651.23 pts. This was majorly driven by losses in the Consumer Goods (-0.22% w/w), Industrial Goods (-3.70% w/w), and Insurance sectors (-0.40% w/w). On the flip side, the Oil & Gas (+1.15% w/w), as well as Banking (+0.19% w/w) indices printed weekly gains. Stocks such as BUACEMENT (-11.09% w/w) and JAPAULGOLD (-7.79% w/w) dragged the Industrial Good index lower, CADBURY (-9.89% w/w) and HONYFLOUR (-6.53% w/w) impacted Consumer Goods performance, while REGALINS (-12.50% w/w) and GUINEAINS (-10.00% w/w) contributed to losses in the Insurance space. On the other hand, CONOIL (+9.14% w/w) and GTCO (+6.35% w/w) were the biggest gainers in the Oil & Gas and Banking sectors, respectively.

Fixed Income: This week, system liquidity was positive, as borrowings at the SLF window stayed minimal following significant inflows at the start of the week. The financial system opened on Monday at ₦369 billion and closed on Friday at ₦398 billion. As a result, OPR decreased significantly by 10.53ppts to 19.25% w/w. At the end of the week, the secondary market closed on a mixed note, with the shorter end of the market being bullish, while the mid-long ends of the curve saw tepid activities with a bearish tilt. The yields on most benchmark instruments varied. The 91-Day (-41bps w/w), and 182-Day (-395bps w/w) bills inched lower w/w, while the 364-Day bill (+160bps w/w), 2-year (+64bps w/w), 3-year (+581bps w/w), 5-year (+301bps w/w), 10-year tenors +6bps w/w) inched higher w/w.

Currency: At the NAFEM, the Naira depreciated by ₦66.72 w/w to close the week at ₦1,666.72 per dollar.

Domestic Economy:

The Federal Government announced a nine-month programme beginning on October 31, 2024, that allows individuals to deposit dollar bills held outside the formal banking system without scrutiny. This comes after a successful $800 million domestic dollar bond issuance. Concerns about dollar stockpiling by citizens have surfaced amid successive years of currency weakness. We observe however that foreign portfolio investors are taking up Naira assets at these depressed currency valuation levels as foreign portfolio inflows improved in October (c.$1 billion), which trumps the foreign portfolio inflows observed in Q3'24 (c.$730 million).

Global: Major stock indices ended mostly lower across regions amid a flurry of earnings reports, economic data, and geopolitical concerns. US October nonfarm payrolls data showed an increase of 12,000 jobs, much smaller than economists' estimate of a 113,000 rise. However, the unemployment rate held steady at 4.1%, reassuring investors the labour market remained on solid ground. After the jobs data was released, investors largely stuck to bets that the central bank would cut rates by 25 basis points in November. However., the S&P 500 (-1.38% w/w) and Nasdaq (-1.51% w/w) retreated as mixed earnings from tech giants Meta and Microsoft impacted growth stocks. Labor market disruptions from strikes and hurricanes added uncertainty, while a continued manufacturing slump raised concerns of renewed inflation. In Europe, the STOXX 600 Index fell 1.52%, influenced by Middle East tensions, weak corporate results, and tempered expectations of ECB rate cuts. The UK's FTSE 100 Index was down 0.29%, after a new budget introduced higher taxes and borrowing, sparking market selloffs. Japan's Nikkei rose 0.4%, as the Bank of Japan maintained rates amid political uncertainty. In China, the Shanghai Composite Index fell 0.84% w/w, as factory activity showed signs of recovery, though property sector improvements offered a tentative economic boost. Finally, In Hong Kong, the benchmark Hang Seng Index lost 0.41% w/w.

What will shape markets in the coming week?

Equity market: We expect another mixed sectoral performance to start out the new week, with selloffs in some large-cap names weighing on the market, amid cherry-picking activities across board.

Fixed Income: Following the bullish close to the past week, we expect more of the same sentiments to filter to the new week pending rate direction from next week's NTBs auction.

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

Before you invest in Dubai

WHILE ON AN EARLY morning walk on the streets of Kigali, Rwanda last week, one of the boys and I got talking about money matters. It was then he mentioned what happens in Dubai once your feet hit the soil of the most populous city in the United Arab Emirates.

"Before you leave the airport, they'll be asking you, are you a Nigerian? If you say 'no,' they'll pass you on. But if you say yes, the people marketing real estate investments will give you an invitation to attend a presentation. They'll ask you if you're married and if you say yes, they'll tell you to bring your wife when you're coming to the event." However, if you still don't want to bring your wife or husband, that doesn't actually mean you don't get the invitation. The only requirement that pre-qualifies anyone for the investment seminar is that you're a Nigerian.

My guy said during his first visit there over five years ago, he honoured the invite for the event. "I saw many Nigerian families in the cubicles," where the investment opportunities were being presented.

"One of the people - facilitators - showed me a brochure and told me about the property they were about to develop. He said it would last about eighteen or twenty months." It's supposed to be in the class of one of the topmost hotel brands in the world and with good rates of returns on the investment. "They showed me pictures of Kanu (Nwakwo, former Super Eagles player) and some famous Nigerians who had previously invested in the property market and had good returns on their money."

Lest I forget, the investment package was about $250, 000. When asked if he was to put everything down at once, he said no. "They said the initial deposit is $150,000 and that I can spread the rest over three years." My friend didn't invest, thankfully. But he knows someone who did. Without jumping the gun, as a frequent travelling executive, my guy has been back in Dubai on a few other trips.

As we made our way uphill on the way back to our hotel, he told me when he was in Dubai about two years later, "that hotel had not even started," much less nearing completion.

More importantly, he said the next time he went to Dubai, the usual suspects cornered him at the airport and asked: "Are you a Nigerian?" He said, "I'm from Uganda." They just left me alone." So, think twice before you invest in Dubai.

WH Smith (1792): While on the way to Rwanda, yours truly had over an hour to play with at Heathrow Terminal 4. So, I popped over to Wetherspoon to grab something to eat.

As the chips and Pepsi made their way down the stomach, the imposing sign of the WH Smith store that was directly opposite when I sat made an impression. Here was a business of over two centuries old and still standing.

Wonder why family businesses disappeared in Nigeria. Folks, as your business thrives, think about bringing in the kids so they carry on. Alternatively, even if you sell, just ensure they keep the name. Think of building something to last.

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@businessamlive.com

Share Price List as @ Friday 1 November, 2024: The Nigerian Stock Exchange

Company	Previous Close	Open	High	Low	Close	Change	% Change	Volume	Value (N)
ABBEYBDS	3.25	3.25	3.25	3.25	3.25	0.00	0.00%	505,290	1,642,582.81
ABCTRANS	1.22	1.22	-	-	1.22	0.00	0.00%	203,318	262,323.14
ACADEMY	2.83	2.83	-	-	2.83	0.00	0.00%	88,440	251,466.13
ACCESSCORP	22.05	22.05	22.50	22.00	22.10	0.05	0.23%	12,261,054	271,692,031.30
AFRIPRUD	9.50	9.50	9.50	9.15	9.15	-0.35	-3.68%	993,935	9,328,410.10
AIICO	1.21	1.21	1.23	1.18	1.21	0.00	0.00%	6,047,500	7,284,295.11
AIRTELAFRI	2,200.00	2,200.00	-	-	2,200.00	0.00	0.00%	953	2,097,056.90
ALEX	7.15	7.15	-	-	7.15	0.00	0.00%	3,510	26,293.50
ARADEL	495.10	495.10	445.80	445.60	445.60	-49.50	-10.00%	5,151,465	2,302,527,861.70
AUSTINLAZ	1.98	1.98	-	-	1.98	0.00	0.00%	7,384	14,768.00
BERGER	19.00	19.00	-	-	19.00	0.00	0.00%	49,974	927,707.05
BETAGLAS	45.40	45.40	47.35	47.35	47.35	1.95	4.30%	1,420,558	65,651,606.90
BUACEMENT	97.80	97.80	-	-	97.80	0.00	0.00%	626,656	57,096,618.30
BUAFOODS	394.90	394.90	-	-	394.90	0.00	0.00%	648	230,364.00
CADBURY	16.40	16.40	-	-	16.40	0.00	0.00%	579,048	9,216,945.40
CAP	38.50	38.50	37.50	36.90	37.50	-1.00	-2.60%	703,004	25,804,200.55
CAVERTON	2.08	2.08	2.03	1.98	2.00	-0.08	-3.85%	2,458,133	4,937,720.79
CHAMPION	3.46	3.46	-	-	3.46	0.00	0.00%	25,571	88,511.66
CHAMS	2.06	2.06	2.14	2.06	2.08	0.02	0.97%	49,392,654	102,124,088.17
CILEASING	3.90	3.90	3.71	3.63	3.71	-0.19	-4.87%	773,509	2,861,940.41
CONOIL	189.30	189.30	-	-	189.30	0.00	0.00%	512,300	87,403,780.30
CORNERST	2.74	2.74	2.61	2.61	2.61	-0.13	-4.74%	1,194,633	3,117,933.49
CUSTODIAN	12.90	12.90	12.00	12.00	12.00	-0.90	-6.98%	693,193	8,310,140.70
CUTIX	2.55	2.55	-	-	2.55	0.00	0.00%	412,988	1,060,348.95
CWG	6.05	6.20	6.20	6.00	6.05	0.00	0.00%	1,266,892	7,682,738.85
DAARCOMM	0.67	0.67	0.68	0.68	0.68	0.01	1.49%	370,950	240,159.48
DANGCEM	478.80	478.80	-	-	478.80	0.00	0.00%	34,426	14,837,606.00
DANGSUGAR	30.80	30.80	-	-	30.80	0.00	0.00%	779,093	23,748,082.10
DEAPCAP	1.25	1.25	-	-	1.25	0.00	0.00%	375,095	472,641.40
ELLAHLAKES	3.93	3.93	3.80	3.54	3.54	-0.39	-9.92%	8,165,146	29,267,742.44
ETERNA	27.50	27.50	-	-	27.50	0.00	0.00%	615,101	15,577,565.50
ETI	24.20	24.20	-	-	24.20	0.00	0.00%	18,945	471,389.05
ETRANZACT	7.50	7.50	-	-	7.50	0.00	0.00%	1,930	13,055.50
EUNISELL	5.11	5.11	5.62	5.62	5.62	0.51	9.98%	429,588	2,409,830.97
FBNH	26.15	26.15	27.00	26.20	27.00	0.85	3.25%	2,933,576	78,664,785.40
FCMB	9.30	9.30	9.30	9.15	9.15	-0.15	-1.61%	1,652,181	15,179,064.40
FIDELITYBK	14.30	14.30	14.45	14.00	14.40	0.10	0.70%	540,820,582	7,685,457,026.70
FIDSON	15.40	15.40	-	-	15.40	0.00	0.00%	72,235	1,029,144.55
FLOURMILL	62.00	62.00	-	-	62.00	0.00	0.00%	595,534	37,137,589.70
FTNCOCOA	1.88	1.88	2.02	1.80	1.92	0.04	2.13%	4,294,530	8,269,100.13
GEREGU	1,150.00	1,150.00	-	-	1,150.00	0.00	0.00%	2,234	2,312,190.00
GOLDBREW	3.74	3.74	-	-	3.74	0.00	0.00%	20	82.00
GTCO	53.70	53.70	57.00	53.90	55.30	1.60	2.98%	22,470,581	1,244,063,890.20
GUINEAINS	0.48	0.48	0.48	0.45	0.45	-0.03	-6.25%	2,632,553	1,203,944.56
GUINNESS	65.00	65.00	-	-	65.00	0.00	0.00%	279,768	17,213,204.10
HONYFLOUR	4.45	4.45	4.44	4.44	4.44	-0.01	-0.22%	545,647	2,413,328.19
IKEJAHOTEL	8.20	8.20	-	-	8.20	0.00	0.00%	244,418	2,046,220.05
IMG	35.00	35.00	-	-	35.00	0.00	0.00%	11,109	349,933.50
INFINITY	7.00	7.00	-	-	7.00	0.00	0.00%	3,400	21,420.00
INTBREW	4.00	4.00	4.00	4.00	4.00	0.00	0.00%	710,951	2,853,379.62
INTENEGINS	1.32	1.32	-	-	1.32	0.00	0.00%	4,083	5,430.39
JAIZBANK	2.36	2.36	2.39	2.25	2.25	-0.11	-4.66%	68,724,077	161,467,314.93
JAPAULGOLD	2.29	2.29	2.30	2.21	2.25	-0.04	-1.75%	5,224,221	11,851,457.05
JBERGER	170.00	170.00	-	-	170.00	0.00	0.00%	248,609	38,211,279.50
JOHNHOLT	3.00	3.00	3.30	3.25	3.30	0.30	10.00%	685,168	2,255,895.28
LASACO	2.43	2.43	2.55	2.50	2.55	0.12	4.94%	570,994	1,422,151.46
LEARNAFRCA	3.32	3.32	-	-	3.32	0.00	0.00%	33,300	107,565.00
LINKASSURE	0.90	0.90	-	-	0.90	0.00	0.00%	187,500	169,750.00
LIVESTOCK	3.87	3.87	3.85	3.83	3.83	-0.04	-1.03%	1,126,147	4,298,271.06
MANSARD	5.80	5.80	5.90	5.80	5.90	0.10	1.72%	1,943,554	11,430,085.74
MAYBAKER	7.00	7.00	7.30	7.30	7.30	0.30	4.29%	584,620	4,155,901.05
MECURE	12.95	12.95	-	-	12.95	0.00	0.00%	4,470	52,299.00
MEYER	8.52	8.52	-	-	8.52	0.00	0.00%	5,000	38,350.00
MORISON	4.45	4.45	-	-	4.45	0.00	0.00%	5,000	22,250.00
MRS	132.70	132.70	132.00	132.00	132.00	-0.70	-0.53%	108,941	14,315,438.10
MTNN	175.10	175.10	176.00	175.00	175.00	-0.10	-0.06%	1,561,538	274,275,639.20
MULTIVERSE	8.80	8.80	7.95	7.95	7.95	-0.85	-9.66%	238,924	1,899,505.80
NAHCO	37.95	37.95	37.15	37.15	37.15	-0.80	-2.11%	702,333	26,187,758.05
NASCON	32.55	32.55	-	-	32.55	0.00	0.00%	290,790	8,747,614.95
NB	28.00	28.00	-	-	28.00	0.00	0.00%	461,616	12,879,624.10
NEIMETH	1.94	1.94	-	-	1.94	0.00	0.00%	150,536	289,908.00
NEM	8.60	8.60	8.60	8.60	8.60	0.00	0.00%	683,260	5,787,621.50
NESTLE	885.00	885.00	-	-	885.00	0.00	0.00%	43,482	36,210,854.50
NGXGROUP	22.95	22.95	23.20	23.00	23.00	0.05	0.22%	1,881,464	43,315,735.15
NNFM	38.00	38.00	-	-	38.00	0.00	0.00%	43,331	1,660,033.65
NPFMCRFBK	1.59	1.59	1.60	1.54	1.54	-0.05	-3.14%	3,598,225	5,626,835.25
NSLTECH	0.60	0.60	-	-	0.60	0.00	0.00%	198,149	122,831.80
OKOMUOIL	338.10	338.10	-	-	338.10	0.00	0.00%	63,101	21,170,440.50
OMATEK	0.65	0.65	0.64	0.64	0.64	-0.01	-1.54%	594,600	381,990.00
PRESCO	485.40	485.40	-	-	485.40	0.00	0.00%	132,044	59,289,919.20
PRESTIGE	0.59	0.59	0.60	0.58	0.59	0.00	0.00%	3,091,237	1,832,020.52
PZ	20.25	20.25	22.00	22.00	22.00	1.75	8.64%	1,080,850	22,593,697.85
REDSTAREX	4.07	4.07	4.47	4.47	4.47	0.40	9.83%	263,875	1,179,521.25
REGALINS	0.48	0.48	0.49	0.49	0.49	0.01	2.08%	1,788,600	875,259.79
ROYALEX	0.65	0.65	0.65	0.63	0.63	-0.02	-3.08%	1,746,473	1,125,657.92
RTBRISCOE	3.05	3.05	3.05	3.05	3.05	0.00	0.00%	563,837	1,747,589.18
SCOA	1.71	1.71	-	-	1.71	0.00	0.00%	2,000	3,760.00
SEPLAT	5,700.00	5,700.00	-	-	5,700.00	0.00	0.00%	13,209	75,071,918.00
SKYAVN	27.50	27.50	-	-	27.50	0.00	0.00%	5,685	161,951.00
SOVRENINS	0.57	0.57	0.57	0.57	0.57	0.00	0.00%	301,989	172,868.15
STANBIC	58.85	58.85	-	-	58.85	0.00	0.00%	474,802	27,702,517.85
STERLINGNG	4.90	4.90	4.80	4.70	4.70	-0.20	-4.08%	7,838,724	37,386,526.40
SUNUASSUR	2.09	2.09	-	-	2.09	0.00	0.00%	584,244	1,207,405.98
TANTALIZER	0.64	0.64	-	-	0.64	0.00	0.00%	64,948	38,828.95
THOMASWY	1.94	1.94	-	-	1.94	0.00	0.00%	962	1,759.16
TOTAL	673.90	673.90	-	-	673.90	0.00	0.00%	63,068	40,215,750.70
TRANSCOHOT	106.00	106.00	-	-	106.00	0.00	0.00%	14,959	1,478,195.65
TRANSCORP	45.00	45.00	45.90	44.20	45.75	0.75	1.67%	1,836,990	82,404,844.35
TRANSEXPR	1.23	1.23	-	-	1.23	0.00	0.00%	3,000	3,420.00
TRANSPOWER	359.90	359.90	-	-	359.90	0.00	0.00%	4,217	1,366,308.00
TRIPPLEG	1.82	1.82	-	-	1.82	0.00	0.00%	125,602	222,902.14
UACN	21.80	21.80	21.35	20.50	20.55	-1.25	-5.73%	7,942,716	164,645,633.80
UBA	29.80	29.80	29.60	29.00	29.00	-0.80	-2.68%	12,776,201	373,078,671.35
UCAP	18.25	18.25	18.20	17.70	17.95	-0.30	-1.64%	7,069,907	126,952,746.25
UNILEVER	23.00	23.00	24.00	24.00	24.00	1.00	4.35%	6,180,836	146,017,697.25
UNIONDICON	8.00	8.00	-	-	8.00	0.00	0.00%	1,150	8,280.00
UNIVINSURE	0.34	0.34	0.35	0.32	0.35	0.01	2.94%	5,933,534	1,962,820.96
UPDC	1.53	1.53	1.55	1.53	1.55	0.02	1.31%	469,192	720,241.47
UPDCREIT	5.50	5.50	5.45	5.45	5.45	-0.05	-0.91%	780,460	4,251,197.80
UPL	3.38	3.38	3.35	3.30	3.30	-0.08	-2.37%	924,871	3,053,641.62
VERITASKAP	1.44	1.44	1.45	1.38	1.42	-0.02	-1.39%	12,412,444	17,439,457.84
VFDGROUP	45.00	45.00	-	-	45.00	0.00	0.00%	35,073	1,517,848.90
VITAFOAM	22.00	22.00	-	-	22.00	0.00	0.00%	131,500	2,794,280.25
WAPCO	38.50	38.50	38.45	38.40	38.40	-0.10	-0.26%	2,296,635	87,981,687.70
WAPIC	0.84	0.84	0.92	0.89	0.92	0.08	9.52%	1,332,270	1,196,867.50
WEMABANK	8.00	8.00	8.00	7.80	8.00	0.00	0.00%	4,642,578	36,609,021.65
ZENITHBANK	39.95	39.95	42.00	39.95	41.25	1.30	3.25%	40,713,728	1,652,642,528.30

Livestock reform committee advocates unified digital taxation, policy upgrades to boost production

Stories by Onome Amuge

STAKEHOLDERS UNDER THE Presidential Livestock Reforms Implementation Committee (PLRIC) have called on the federal government to implement a unified digital taxation system, streamlined regulations, and waste management systems, among other recommendations to address the challenges hindering the growth of the nation's livestock sector and unlock its untapped investment potential.

Despite its critical role in Nigeria's agricultural sector, the livestock industry is faced with numerous hurdles that hinder its potential and limit its productivity.

From diminishing grazing lands to inadequate quality feed, scarce water resources, the growing impacts of climate change, poor breeding and management practices, and socioeconomic factors, cattle breeding and dairy production in Nigeria have been constantly struggling. These challenges, collectively, represent a significant roadblock to the growth and development of the livestock sector in the country, preventing it from realising its full potential and contributing to the overall economy.

The situation in Nigeria's livestock sector is compounded by the low milk yield of cattle breeds managed by pastoralists. The average milk yield of 0.5 to 1.5 litres per day is a contrast to the global average of 6.6 litres, highlighting the urgent need for intervention and sustainable solutions to boost productivity.

The dire state of Nigeria's livestock sector is further aggravated by the fact that the country's current production levels of animal-based foods are far below the national requirements.

The inadequacies in Nigeria's livestock sector are further revealed by a closer examination of the country's milk, meat, and egg production figures.

Annual milk production stands at an estimated 0.7 billion litres, meat production at 1.48 million tonnes, and egg production at around 0.69 million metric tonnes. These figures fall significantly short of global averages and reflect the inadequate state of the livestock sector in the country.

Seeking a solution to the challenges facing the livestock sector in Nigeria, the Presidential Livestock Reforms Implementation Committee, stated that the solution to alleviating the burden of multiple taxation lies in the establishment of a unified digital tax system, which would streamline the tax process and remove the cumbersome administrative obstacles that currently hinder the livestock sector's growth and development.

The committee, chaired by Attahiru Jega, the former president of the Academic Staff Union of Universities (ASUU), comprises an assemblage of 400 diverse stakeholders, made up of expert groups, businesses, and academia.

The PLRIC further recommended streamlining regulations to reduce bureaucracy and simplify the process of investment in the livestock sector.

The committee underscored the importance of strengthening the National Animal Identification and Traceability (NAIT) system to address security concerns and enhance the marketability of livestock products.

They argued that such a system would be instrumental in maintaining market standards and building consumer confidence in the livestock sector.

In addition, the committee identified the supply of essential resources such as grains, forage, pasture, and animal feeds as crucial areas requiring the government's attention, as these resources are vital for the growth and prosperity of the livestock business.

The PLRIC, in recognition of the pressing need to tackle the effects of climate change on livestock production, advocated for the development of a comprehensive policy framework focused on addressing climate change impacts across all livestock sub-sectors. This framework, they suggested, should aim to integrate climate-smart practices and technologies to help the livestock sector adapt to and mitigate the effects of climate change, thereby safeguarding the industry's long-term sustainability and profitability.

The multi-stakeholder communique issued by the committee urged the Federal Ministry of Livestock Development to take decisive action by providing a clear and actionable framework for managing conflicts between farmers and herders at all levels of governance, from the federal to the local government level.

Moreover, they emphasised the importance of establishing clear financing mechanisms that would ensure the effective and sustained operation of this framework, thus paving the way for a more stable and harmonious coexistence between farmers and herders in Nigeria's rural communities.

The committee called on the livestock development ministry to establish livestock data and genetic resource conservation infrastructure, including gene banks and genetic stock improvement, to ensure a sustainable and resilient livestock sector in Nigeria.

Furthermore, they urged the ministry to prioritise the management of waste generated throughout the livestock value chain and develop systems for its conversion into wealth through resource recovery and recycling technologies.

In addition, the committee highlighted the significance of livestock mechanisation in the various value chains and urged the ministry to establish appropriate departments and allocate resources to address this critical component of livestock production.

The committee underscored the critical need for a thorough examination of existing livestock sector policies and for the development of new ones where necessary.

Specifically, they called on the Federal Ministry of Livestock Development to assess the effectiveness and currency of existing policies, intending to strengthen them where possible.

To elicit feedback from various stakeholders and foster a collaborative approach to reforming the livestock sector in Nigeria, the PLRIC's 2-day workshop provided a platform for the exchange of ideas, networking, and the identification of key strategies.

The workshop is considered a development in the livestock reform process, with the recommendations generated by the stakeholders expected to play a significant role in shaping the strategies and actions needed to transform the livestock sector in Nigeria into a globally competitive entity.

Paddy rice yields to slump 2.6% as high fertiliser costs weigh on production

THE CULTIVATION OF PADDY rice, a major staple food in Nigeria, is anticipated to decline by 2.6 per cent, leaving output around 8.1 million metric tonnes.

The primary driver behind this projected decrease is the soaring cost of fertilisers, which has resulted in reduced crop yields and higher input costs for farmers, according to the AFEX 2024 Wet Season Crop Production report.

The leading commodities player in Africa projected the deteriorating state of paddy rice production in Nigeria at a hybrid event hosted recently in Abuja.

According to AFEX, the exorbitant price of fertilisers has not only diminished the yields of paddy rice but has also driven many farmers to switch to crops that require minimal fertilisers and offer higher profits, such as sesame and sorghum.

The company also stated that the pervasive insecurity in Nigeria's rice-producing states has hampered farming activities and severe flooding has further worsened the issue.

With production volume and quality anticipated to suffer a marked decline, the supply of paddy rice is set to be severely impacted. This, in turn, is likely to manifest as increased prices for paddy rice, raising concerns over food security and affordability for Nigerians.

The AFEX report offers some insights into the factors impacting the commodities landscape, including production levels, price performance, and market outlook.

The report indicated that despite Nigeria's significant agricultural potential, its producers are struggling to meet the rising demand for commodities. This is largely attributed to several factors, such as high input costs, lack of financing, the effects of climate change, including droughts and floods, and pest infestation.

Maize production in Nigeria is projected to experience a decline of 5.6 per cent in the 2024/2025 season. The major drivers behind this reduction include an expected decrease in cultivated land caused by the rising cost of inputs, limited access to fertilisers, and unfavourable weather conditions expected to negatively affect crop yields.

This anticipated decline in production will likely result in a substantial surge in maize prices, a development that will be felt by both farmers and consumers alike as they struggle with the higher cost of one of Nigeria's most important staple crops.

While the overall trend in commodity production points towards a decline, several commodities, including sorghum, ginger, cocoa, and sesame, have shown an upward trajectory.

The surge in production for these commodities can be largely attributed to an expansion in their cultivation, coupled with recovery efforts in response to last year's price hikes.

The AFEX report foresees an increase in the price of ginger, with an expected rise of over 90 per cent due to a combination of higher demand and the persistent effects of the fungal attack experienced in the previous season.

The report highlighted the pressing need for policy interventions aimed at improving agricultural productivity and ensuring food security in Nigeria. This includes investment in modern agricultural practices, infrastructure, and agro-processing to address the challenges faced by farmers and consumers alike.

Speaking at the launch event, Akinyinka Akintunde, president/CEO of AFEX Nigeria, stated, "Each year, we conduct this extensive survey involving over 40,000 farmers to gain deeper insights into the challenges facing our agricultural sector. The findings of the survey underscore the urgent need for targeted interventions to enhance productivity, particularly in staples like maize and rice.

More importantly, the report helps us see the critical areas that need intervention and that is a plus. By addressing critical issues such as access to quality inputs, climate resilience, and market stability, we can significantly improve food security and empower our farmers, ultimately driving economic growth and sustainability in Nigeria."

Gold fever hits all-time high with $100bn in Q3’24 demand

Stories by Onome Amuge

TOTAL GOLD DEMAND, INCLUSIVE OF OVER-THE-COUNTER (OTC) investments, surged five percent year-over-year (y/y) in the third quarter of 2024 to a record 1,313 metric tonnes, the World Gold Council (WGC) reported.

The surge in demand was mirrored in the price of gold, which skyrocketed to a series of all-time highs throughout the quarter. This is as the value of demand jumped 35 percent year-over-year, breaking the $100 billion mark for the first time ever.

According to the World Gold Council Gold Demand Trends report for the third quarter of 2024, the global gold exchange-traded fund (ETF) market saw an influx of 95 metric tonnes of gold, representing a marked reversal from the significant outflows experienced in the same quarter of 2023, with the third quarter of 2024 being the first positive quarter since the first quarter of 2022.

While investment in gold bars and coins decreased by 9 percent compared to the third quarter of 2023, resulting in a total investment of 269 metric tonnes, the overall decline was mostly driven by specific markets. India, however, demonstrated strong performance, which offset some of the decline in other key markets.

The third quarter of 2024 saw a sharp drop in gold jewelry consumption, falling 12 percent y/y to 459 metric tonnes, even though India’s market demonstrated solid growth. Despite the decrease in the quantity of gold jewelry purchased, spending on gold jewelry increased substantially by 13 percent y/y, reaching more than $36 billion.

The rate of central bank gold purchases decelerated in the third quarter at 186 metric tonnes, but year-to-date buying has remained on par with the levels seen in 2022, the World Gold Council noted.

Despite relatively low volume, gold usage in technology applications showed steady growth, increasing by 7 percent y/y to 83 metric tonnes. Artificial intelligence (AI) remains a key driver of this demand, as the tech industry continues to explore new applications of gold’s unique properties in areas such as electronics, medical devices, and aerospace engineering.

However, the outlook for the future growth of gold in technology remains cautious, as the pace of adoption is expected to be gradual.

The recent surge in gold prices to above $2,750, despite rising U.S. Treasury yields and a decrease in geopolitical tensions, signals a significant shift in market dynamics, according to research strategist Dilin Wu from Pepperstone.

Despite the ten-year real interest rate in the U.S. rising from 1.5 percent in early October to 1.98 percent, gold prices have remarkably increased by over $150 in the same period, demonstrating a break from the traditional negative correlation between these assets.

Wu, in a statement to Business a.m., noted, “Currently, the driving force behind gold’s ascent appears to be traders’ positive bets on a potential Trump victory, coupled with growing concerns over the escalating US debt crisis. The fiscal situation is alarming, with the deficit hitting $1.8 trillion for the fiscal year ending in September, accounting for around 6% of GDP.

“While both candidates advocate for expansionary fiscal policies, if Trump wins and a “red wave” occurs, US debt could skyrocket by an additional $7.5 trillion over the next decade—more than double the $3.5 trillion increase proposed by Harris. This could significantly exacerbate the situation. The expected rise in deficit financing will likely result in a substantial increase in bond issuance, which, in turn, would drive yields lower.”

Wu further pointed out that the Federal Reserve’s primary focus on supporting economic growth, combined with mounting debt levels, may lead to a continuation of low-interest rate policies.

This scenario would lower the opportunity cost of holding gold, making it a more appealing option for investors. As a result, the demand for gold is expected to remain strong, potentially pushing its price even higher.

L-R: Benedict Ologbosere, chairman, programmes and events/committee, Association of Corporate Treasures of Nigeria; Peju Faloye, member, governing council; Adeyinka Ogunnubi, president/chairman of council, and Emmanuel Omode, chairman, membership committee, at the media launch of 2024 Treasury360 and Conference Exhibition, in Lagos recently.

Copper rebounds on dollar decline, but closes week down

COPPER PRICES INCHED higher as the weakening of the U.S. dollar made metals priced in U.S. dollars more affordable to buyers with other currencies. However, the overall sentiment remained cautious ahead of the U.S. presidential election and China’s key policy meeting, leading to a weekly decline in copper prices.

The prices of copper showed mixed movement, with three-month copper on the London Metal Exchange (LME) rising one percent to $9,596 per metric tonne, while the most-traded December copper contract on the Shanghai Futures Exchange (SHFE) exhibited a more modest increase of 0.2 percent to 76,610 yuan ($10,751.83) a tonne.

While LME copper was headed for its fifth straight week of decline, showing a 0.1 percent decline in price this week, the dollar index steadied on Friday, closing in on its first weekly loss in five weeks.

The greenback’s performance was closely tied to market participants’ anticipation of the US jobs report, as well as the upcoming Federal Reserve monetary policy meeting and a tight race in the US presidential election.

The upcoming US presidential election and the Chinese legislative meeting are two significant events that could greatly influence the trajectory of the global economy and, as a result, the copper market.

According to analysts, the results of the US presidential election on Nov. 5 will have a far-reaching impact on the policies of the world’s largest economy for the next four years, while the Chinese legislative body’s meeting between Nov. 4 and Nov. 8 is expected to bring forth possible stimulus measures that could significantly boost the demand for physical metals, such as copper.

The import premium for copper into China, a key indicator of domestic demand, has remained steady at $48 a tonne, a significant decrease from the $69 per ton recorded last month.

Prices of major industrial metals showed upward momentum on the LME, with aluminium rising one percent to $2,642.50 a tonne, nickel increasing 0.4 percent to $15,775, zinc advancing 0.9 percent to $3,057, lead climbing 1.1 percent to $2,041.50 and tin gaining 0.8 percent to reach $31,470.

Prices of industrial metals on the Shanghai Futures Exchange also showed mixed movement, with aluminium edging up 0.5 percent to 20,845 yuan a tonne, tin adding 1.3 percent to reach 257,550 yuan, lead inching up 0.6 percent to 16,790 yuan, nickel rising 0.3 percent to 124,140 yuan. Zinc, however, bucked the overall positive trend, falling 0.4 percent to 25,030 yuan per tonne.

Cocoa climbs as torrential rains in Ivory Coast raise harvest risks

COCOA PRICES GAINED ground, reaching a 1-1/2 week high in New York and a 2-week high in London. This upward momentum was driven by heavy rainfall in some regions of West Africa, where cocoa is grown, which resulted in flooding, impeded access to fields, and promoted the spread of cocoa disease.

The recent rise in cocoa prices was fueled not only by adverse weather conditions in cocoa-growing regions of West Africa, but also by a decline in global cocoa stockpiles.

On Friday, December ICE NY cocoa futures closed higher by +7 (+0.10%), while December ICE London cocoa futures gained +25 (+0.43%). This price uptick was primarily driven by ICE-monitored cocoa inventories in US ports, which have been steadily decreasing for the past 17 months and hit a 19-year low on Friday at 1,758,639 bags.

The bullish outlook for cocoa prices was further boosted by JPMorgan’s revised prediction of a cocoa deficit of 100,000 MT for the 2024/25 marketing year, a significant deviation from the market consensus of a small surplus.

This shortfall in cocoa supply, which is expected to persist for an extended period due to structural constraints on the supply side and strong demand for cocoa, was noted by the JPMorgan analysis which stated, “We maintain our view of structurally higher cocoa prices for longer, amid supply-side constraints and firm demand.”

Despite the bullish factors supporting cocoa prices, such as reduced global cocoa stockpiles and adverse weather conditions, the recent data from the Ivory Coast has imposed a limit on near-term price gains.

Ivory Coast farmers, responsible for supplying a significant portion of the world’s cocoa, shipped 284,633 metric tonnes of cocoa to ports from October 1 to October 27, a 26 percent increase compared to the same period last year.

This large volume of cocoa harvest has exerted downward pressure on prices, as the supply-demand balance temporarily tilted towards an oversupply of cocoa.

Cocoa prices came under pressure when the Ivory Coast regulator, Le Conseil Cafe-Cacao, adjusted its 2024/25 cocoa production forecast for the Ivory Coast on October 18. The regulator increased its previous estimate of 2.0 million metric tonnes to a range of 2.1-2.2 million metric tonnes. The higher cocoa production forecast was a bearish factor for cocoa prices, as it signalled a larger supply of cocoa hitting the market.

Despite a positive outlook for cocoa demand in North America and Asia, cocoa grindings in Europe posted a decline, leading to mixed signals for global cocoa demand.

BUA Foods revenue rises 104% to N1.07tn in 9 months

Onome Amuge

BUA FOODS PLC, a leading player in Nigeria's food industry, has achieved a 104 per cent surge in revenue to N1.07 trillion for the first nine months ending 2024.

According to recently released unaudited financials, BUA Foods' financial growth was fueled by robust sales across its diverse product range, including a notable spike in demand for sugar, flour, and pasta.

BUA Foods Plc continued its upward trajectory, with an 82 per cent increase in gross profit to N333.82 billion and a 91 per cent rise in profit after tax to N201.38 billion.

The company's financial growth was largely attributed to its strategy of meeting the growing demand for its products and expanding its product lineup.

Ayodele Abioye, BUA Foods managing director, stated that the company's gains were due to its approach to product innovation and capacity expansion.

"Revenue grew by 104 per cent to N1.07tn compared to the same period last year, while our gross profit stands at N333.8bn, reflecting a growth of 82 per cent," Abioye said.

The BUA Foods MD further elaborated on the impressive performance of the company's core products, revealing that sugar sales surged 73 per cent to N544.4 billion, flour sales surged 160 per cent to N389.9 billion, and pasta sales soared 131 per cent to N134.8 billion.

Despite experiencing a 56 per cent increase in operating expenses, largely driven by inflationary pressures and distribution costs, BUA Foods remains steadfast in its goal to become the market leader in flour and pasta production by 2025.

According to the company, this aspirational target, coupled with its commitment to product innovation and capacity expansion, is propelling it forward on its journey to becoming a dominant player in the Nigerian food market.

BUA Foods highlighted its strategic partnerships with Turkish and Italian firms as an integral part of its ongoing efforts to expand its production capabilities and achieve its ambitious targets.

According to the company, these partnerships are key to its goal of increasing its annual pasta production to 900,000 metric tonnes and boosting flour production to 2.5 million metric tonnes.

Abioye emphasised the company's commitment to addressing food supply challenges, ensuring that its customers and consumers remain well-nourished, and enhancing shareholder value.

Incoming Chairman, Noor Takaful Insurance Limited, Ambassador Shuaibu Ahmed: Incoming director, Noor Takaful Insurance Limited, Rakiya Shuaibu-Mohammed; vice chairman, Noor Takaful Insurance Limited,. Aminu Tukur; MD/CEO , Noor Takaful Insurance Limited, Rilwan Sunmonu; outgoing chairman, Noor Takaful Insurance Limited, Muhtar Bakare; director, Noor Takaful Insurance Limited; Abubakar Yusuf; company secretary, Jackson, Etti & Edu, Toluwalase Oliver-Jude and director, Noor Takaful Insurance Limited, Isma'ila Zakari ,during the 7th annual general meeting of the company held at its corporate head office in Lagos recently.

Uniwood set to drive premium wood market in Nigeria

Onome Amuge

AMIDST THE FLOURISHING NIGERIAN market for high-end wood materials for furniture, a host of wood companies are vying for a stake in this rapidly expanding industry, seeking to capitalise on the growing consumer demand for premium products.

This new market trend represents a shift from the past when Nigerians were less inclined to embrace luxury wood materials for furniture. However, with increased international exposure and exposure to modern design trends, more Nigerians are seeking out diverse textures and colour combinations, driving demand for premium wood materials in the furniture industry.

Roland Tannoury, managing director of Uniwood Ltd, one of the leading wood suppliers in Nigeria, disclosed in a recent chat with Business a.m. at the just concluded Design Week Lagos 2024, where he revealed that there has been an uptick in demand for premium wood among Nigerian consumers.

Design Week Lagos 2024, with its showcase of at least 100 interior design companies, created the ideal environment for exploring the evolving landscape of consumer preferences in Nigeria.

Tannoury, in this setting, shared his analysis of the increased demand for high-quality wood materials in furniture production. He explained how the preference for premium wood reflects a developing trend among Nigerian consumers who are increasingly discerning and sophisticated in their choices, reflecting a greater appreciation for craftsmanship and luxury.

The managing director of Uniwood Ltd identified the expansion of the Nigerian market as an opportunity, explaining, "In the past, the Nigerian market for high-quality wood was limited to Lagos and Abuja, but now it's expanding to other regions. As people travel and see the latest trends, they are becoming more receptive to the new designs.

"This is driving demand for premium wood, even in areas where hardwood was traditionally preferred. People are now willing to pay more for quality that will last for 20 or 25 years. So, the market is acceptable."

Explaining the success of Uniwood, Tannoury stated, "We have been in business for 14 years, and I joined the company seven years ago. We have many brands, but Starwood was launched this year, and in just one year, it has become the number one brand in Nigeria."

According to Tannoury, the company is based in Turkey but adheres to European standards for its materials.

Speaking further, he noted that the company imports its wood for supply in Nigeria because the wood used is not available locally, adding that the company has a plan to build a factory in Nigeria, although not immediately.

Tannoury explained that due to the current state of the country, most companies are hesitant to invest in Nigeria. However, he highlighted Uniwood's confidence in the country, having invested over $10 million.

Tannoury identified customs duty as an area for policy improvement.

"When we import a container of wood, customs charge is based on an inflated price of $50,000 to $60,000. Even with proof, they refuse to accept the actual price, which is $15,000. So we end up paying more in duties, and that cost is passed on to our clients and the end user.

"As a result, we have to sell the same wood at double the price in Nigeria compared to countries like Lebanon and Egypt, where duties are lower," he added.

Nestlé Nigeria reports N7.36bn loss in Q3'24 as cost, currency pressures persist

Onome Amuge

NESTLÉ NIGERIA, ONE of the country's leading food and beverage companies, saw its third-quarter earnings impacted by ongoing cost pressures and foreign exchange fluctuations, revealing potential short-term drawbacks, as shown in its unaudited financial results for the third quarter of 2024.

Based on these factors, the company reported a loss after tax of N7.36 billion in the quarter under review, in contrast to the profit after tax of N6.91 billion recorded in the corresponding period in 2023.

In a similar trajectory, Nestlé Nigeria's pre-tax loss reached N2.86 billion in the third quarter of 2024, a stark contrast to the pre-tax profit of N12.46 billion recorded in the same period in 2023.

The loss was further exacerbated by an 18.9 per cent year-on-year increase in tax expenses to N4.50 billion.

An in-depth analysis of pricing trends showed that Nestlé Nigeria implemented an average price hike of approximately 31.3 per cent across its product portfolio, relative to the previous quarter.

Nestlé's gross margin declined by 860 basis points year-on-year, settling at 30.6 per cent in Q3'24 against 39.2 per cent in the corresponding quarter of 2023.

This contraction resulted from cost pressures, which increased by 118.7 per cent year-on-year in the period. Consistent with previous quarters, these high costs were primarily driven by inflationary pressures, including steep increases in raw material expenses which rose 114.9 per cent y/y and overhead costs, up 73.0 per cent y/y.

Nestlé also faced a 176.1 per cent year-on-year increase in net finance costs, reaching N50.62 billion in the quarter under review. This growth was primarily attributed to the substantial rise in finance costs which rose 171.5 percent y/y during the period.

Business a.m. observed that Nestlé's finance costs were heavily influenced by two key factors: a 95.0 per cent year-on-year growth in interest expenses on financial liabilities and a 140.3 per cent increase in net foreign exchange loss, reaching N21.58 billion.

These increases were largely attributed to the current environment of elevated interest rates and the weakening of the naira against other major currencies.

Nestlé Nigeria Plc's standalone loss per share stood at N9.28 in the third quarter of 2024, a significant decrease compared to the earnings per share of N8.72 recorded in the same period in 2023.

This decline was primarily driven by a sharp increase in the cost of sales (118.7% y/y) and a substantial growth in net finance costs (176.1% y/y).

The cumulative impact of these losses resulted in a significant increase in Nestlé Nigeria Plc's loss per share to N232.47 in the first nine months of 2024, a marked deterioration from the N54.33 loss per share recorded in the same period in 2023.

On a positive note, the company reported a 91.6 per cent year-over-year revenue growth in the third quarter of 2024, driven by significant expansions in both the Food and Beverages segments.

Nestlé's revenue also exhibited a quarter-on-quarter growth of 15.6 per cent, fueled by growth in both the Food (+13.9% q/q) and Beverage (+18.6% q/q) segments.

The strong performance was attributed to a combination of factors, including favourable volume growth, higher prices, and new product launches.

In response to Nestlé's financial performance, analysts at Cordros Securities highlighted the fact that despite the company's strong revenue growth, persistent cost pressures and adverse foreign exchange conditions continue to adversely impact Nestlé's earnings, creating potential setbacks shortly.

However, the analysts also noted that Nestlé's third-quarter loss showed a substantial improvement compared to the previous two quarters, indicating a gradual recovery despite the ongoing challenges faced by the company.

"Given NESTLE's strong market position, strategic pricing, and commitment to product innovation, we believe there is room for continued revenue growth over the rest of the year, even with cost pressures and currency depreciation as persistent headwinds to profitability," they stated.

Naira weakness, soaring input costs plunge Nigerian business activities to 19-month low

Onome Amuge

THE OCTOBER PURCHASING Managers Index (PMI) has revealed a downturn in business activities in Nigeria, marking the lowest level in 19 months. This decline in business activity is attributed to intense cost pressure and a weakened naira, posing a significant challenge to the country's economic performance.

The Stanbic IBTC Bank's PMI data for October indicated a significant decline in Nigeria's business conditions, as the headline index plummeted from 49.8 in September to 46.9 in October, the lowest level since March 2023.

The PMI reading serves as a barometer for the manufacturing sector, where a score above 50.0 indicates improvement in business conditions, while a score below 50.0 indicates a deterioration.

L-R: Osayaba Giwa-Osagie, chairman, Nigeria-South African Chamber of Commerce; Lebo Moroe, wife of the consul-general of South Africa in Lagos,and Bobby Moroe, consul-general of South Africa in Lagos, at a night of connection and celebration to welcome South African Business owners in Lagos, recently.

The report attributed the decline to the third-highest increase in overall input costs, putting immense pressure on businesses across the country.

"This surge reflects a weak naira, high transportation fees, and rising fuel prices that have severely squeezed businesses' purchasing power. As a result, Nigerian firms have been forced to raise their selling prices at one of the fastest rates in history, passing rising costs on to consumers and worsening inflationary pressures," the report stated.

According to the Stanbic IBTC Bank's PMI report, a combination of a weak naira, high transportation fees, and rising fuel prices has resulted in a severe squeeze on the purchasing power of businesses in Nigeria, leading to an unprecedented rate of increase in selling prices.

This rapid surge in selling prices, attributed to rising input costs, has been passed on to consumers, worsening the already high inflationary pressures facing the country.

The magnitude and speed of this escalation in selling prices are among the fastest in Nigeria's history, the report emphasised.

Despite the challenging economic conditions, some businesses have managed to buck the trend by hiring a few new employees, thereby extending the six-month trend of job creation in Nigeria. However, many firms are reportedly dealing with rising costs, which has led them to resort to hiring staff on a short-term basis.

Moreover, companies are increasingly stepping up efforts to support their employees in the face of the current economic situation. The Stanbic IBTC Bank's PMI report observed that many firms are implementing measures to help workers cope with the rising cost of living, such as increasing staff pay to the greatest extent in seven months.

Access Holdings reaffirms commitment to driving Intra-African trade

Banking subsidiary targets November for African Trade Conference

Business a.m.

ACCESS HOLDINGS PLC, the parent company of Access Bank Plc, has launched a series of programs targeted at empowering small businesses across the African continent and stimulating intra-African trade.

The initiatives, which are aimed at fostering economic development and growth in Africa, include various schemes designed to provide small businesses with access to funding, training, and mentorship opportunities.

The senior leadership team of Access Holdings Plc, including Bolaji Agbede, acting GCEO, and Roosevelt Ogbonna, group managing director and CEO, discussed the company's strategic priorities for the coming years during a recent media roundtable.

The roundtable served as an opportunity for the Access Holdings leadership team to share their vision for the future and outline their plans for driving growth and success across the African continent.

Speaking on the company's commitment to fostering economic growth in Africa, Agbede stated, "We believe that by supporting small businesses, we can create lasting economic value and drive meaningful change across the continent."

On his part, Ogbonna outlined the strategic priorities for 2023–2027, which focus on infrastructure investments, retail banking, and small business empowerment.

"We aim to provide an enabling environment for small businesses to access new markets on the continent," he stated.

To facilitate this, Access Bank will host a trade conference in November, designed to connect small businesses and stimulate intra-African trade.

The bank's commitment to infrastructure investment is evident, with 61 new branches opened in Nigeria this year alone, despite challenging economic conditions.

"This expansion showcases our dedication to enhancing retail banking and improving customer access to financial services," Ogbonna added.

Furthermore, the bank is in the process of establishing fully digitalised branches, known as 'branches of the future,' which will leverage advanced technology to increase financial access for underserved communities.

Access Holdings is also focused on enhancing regional trade dynamics.

By fostering partnerships and collaborations among small businesses, the company aims to create a robust network that supports economic development across Africa.

"We are committed to building a sustainable ecosystem that empowers businesses and drives growth," Ogbonna emphasised.

As Access Holdings continues to expand its footprint across the continent, it remains dedicated to its mission of creating lasting economic value for Africa and empowering businesses that can drive meaningful change.

Dangote commits to environmental preservation with 10,000 mangrove trees planting project

Business a.m.

DANGOTE INDUSTRIES LIMITED (DIL), in its commitment to environmental sustainability, has launched a restoration project in partnership with Eco-Restoration Foundation to plant 10,000 mangrove trees in coastal states across Nigeria.

This initiative, which commenced at Akodo-Ise, Ibeju-Lekki, Lagos, is aimed at mitigating the global effects of climate change by conserving, protecting, and restoring mangrove trees in Nigeria.

Speakingg at the event, Devakumar Edwin, DIL Vice-president, oil and gas, explained that the restoration project is aligned with Dangote Group's primary goal of ensuring sustainable employment opportunities and poverty alleviation for Nigerians.

He noted, "One of the primary reasons of the Dangote Group is to ensure that Nigeria keeps providing employment and lifting the people out of poverty through sustainability projects such as this mangrove tree planting exercise."

Edwin also noted that the company is also committed to creating good climate scenarios where people can live long and their livelihoods cannot be taken away from them.

He pointed out that apart from absorbing more carbon from the atmosphere than other tree species, mangrove forests serve as vital buffers against coastal erosion, and are critical for preserving marine biodiversity and supporting millions of coastal dwellers whose livelihoods depend on healthy mangrove forests.

Speaking after the flag-off of the tree planting exercise, James Adenuga, the group chief HSSE and Sustainability, Dangote Industries Limited, expressed excitement at the importance of the partnership and its alignment with the organisation's focus on the sustainable development of Nigeria and Africa, with long term carbon offset targets.

"Environmental sustainability is one of the seven Sustainability Pillars of the Dangote Group, and preservation of the environment is one of our core priorities wherever we operate. We are glad to embark on this project," Adenuga added.

Also speaking at the tree planting exercise, David Omaghomi, a trustee of Eco-Restoration Foundation, stated that the foundation "was more than thrilled" to welcome Dangote Group as our largest corporate partner of the Eco-Park Mangrove Sanctuary & Research Centre to date.

He explained further that Nigeria has lost 60 percent of the mangrove population, adding that Nigeria coastal line is at risk of going underwater in years to come if nothing is done.

"This project is meant to promote mangrove restoration, conservation, and protection. Nigeria has lost 60 per cent of its mangrove forests. More ocean acidification will be expected in Nigeria due to climate change and rising sea level. In the next 100 years, the coastal lines in Nigeria will be covered by water. The great blue wall will run across the coast of Nigeria by using mangroves.

"We are happy to receive the Dangote Group here and with their brand being blue they are the blue Big Brother of Africa. Their (Dangote's) pledge to plant 10,000 mangroves in phases over the next few months, underscores their commitment to environmental stewardship and resilience building along Nigeria's coasts.

"With their continued support, we are confident that this project will spark a wave of community-based restoration activities all along Nigeria's coastline, in line with our persistent calls for the commencement of the 'Great Blue Wall of Africa' built of mangrove forests - as a natural defense against rising sea levels and climate change.

"Without immediate action, our multi-billion-dollar industrial complexes, Sea Ports, Oil & Gas facilities, Tourism and entire Blue Economy will be exposed to the relentless advance of ocean acidification in the coming decades," he said.

Stories by
Sade Williams/Business a.m.

Nigeria hails Air Peace as VP Shettima calls it "Nigerian product, Nigerian pride"

• Praises strength, resilience amid challenges @ 10

AIR PEACE, WEST AND Central Africa's largest carrier by fleet size, received high praises from Nigeria as it celebrated 10 years of operating in and from Africa's most populated country, Nigeria, with the country's Vice President, Kashim Shettima describing the airline as "a Nigerian product and a Nigerian pride".

He also acknowledged Air Peace's resilience, patriotic spirit, and significant contributions to the nation's aviation industry and economy.

The airline's 10th-anniversary celebrations were held in Lagos, the country's economic and financial capital and attended by all 36 state governors, with some attending in person and others represented. Numerous industry leaders from across various sectors also joined to celebrate this momentous occasion.

Vice President Shettima described the milestone as a testament to Air Peace's enduring presence in both Nigerian skies and the hearts of Nigerians.

Reflecting on the airline's role as a bridge for commerce, tourism, and global integration, he commended Air Peace's contributions to expanding domestic routes and positioning Nigeria as a regional air travel hub. The vice president also applauded Allen Onyema, the airline's Chairman, for creating jobs for thousands of Nigerians and even citizens beyond Nigeria's borders.

L-R: Allen Onyema, chairman/CEO, Air Peace Limited; Saidu Ahmed Alkali, minister of transportation representing Vice President Kashim Shettima; Governor Godwin Obaseki of Edo State; Festus Keyamo, minister of aviation and aerospace development; and Obiora Okonkwo, chairman, United Nigeria Airline, during the 10th year anniversary of Air Peace held at Eko Hotel and Suites, Victoria Island. Lagos, recently

Shettima praised Air Peace's strength in weathering industry challenges, noting that "Air Peace has displayed an exceptional level of resilience that speaks to the strength of its leadership and workforce."

He also emphasised the federal government's commitment to protecting the Air Peace brand and ensuring its continued success in the aviation sector.

Highlighting the government's commitment to advancing Nigeria's aviation sector, Vice President Shettima referenced the recent approval of the Cape Town Convention on aviation leasing, which will reduce operational costs and foster competitiveness in the industry. This policy, he emphasised, will empower airlines like Air Peace to continue expanding and thriving.

Shettima remarked that Air Peace has always answered the call of the nation, recalling the airline's pivotal role in repatriating Nigerians from conflict zones in Sudan, Libya, and South Africa. He concluded his message with a call to action, urging Air Peace to keep its focus on people and community. "prioritise the people, listen to them, and carry them along," he noted.

The airline said in a statement marking the anniversary that as Air Peace looks ahead to the next decade, it does so with a renewed commitment to its core values and a steadfast dedication to connecting Nigerians with the world.

Integrity, hardwork of consumer protection officers hailed by NCAA

THE NIGERIA CIVIL AVIATION AUTHORITY (NCAA) has praised staff of the agency, especially the consumer protection staff who have direct contacts with passengers, for their hard work and for upholding integrity in the course of their duties.

The Authority reaffirmed the integrity and capabilities of its consumer protection directorate staff to promptly and adequately address passengers' complaints at airports across the country and urged passengers to approach them whenever the need arises.

Michael Achimugu, director, Public Affairs and Consumer Protection Directorate, explained that following the launch of the consumer protection portal on September 19th 2024, passenger experience, service delivery and responses from airlines had significantly improved.

Speaking on a monitored television programme, Achimugu said: "Thanks to the efforts of our consumer protection officers. We have most of them spending their nights at the airports under unfavourable conditions, sometimes with lack of security. Some of them have been harassed in the course of carrying out their duties.

"I make bold and I am proud to say that the NCAA's officials at the airport are one of the very few, if not the only agency that have never been accused of extorting travellers at the airport. It makes me very proud of my officers, you know. And then, of course, the work that the flight operations and adjudication unit have been doing," he said.

Speaking at the launch of the portal last September, Chris Najomo, acting director general, civil aviation, had affirmed that the portal was among measures put in place by the NCAA to improve consumer protection.

Michael Achimugu, director, Public Affairs and Consumer Protection Directorate, NCAA

According to him, the portal is playing a pivotal role that ensures airline passengers in the country receive better information and an avenue to address their grievances at the airport.

Najomo said: "This portal offers a comprehensive platform where passengers can lodge complaints, access real-time data on airline performance, and monitor punctuality and on-time operations of airlines.

"The NCAA Consumer Protection Portal is our proactive response to these issues, providing a robust system to protect and empower consumers,"

Festus Keyamo, minister of aviation and aerospace development, had affirmed that, "As a frequent flyer myself, I have seen first hand, the rage of passengers who are either disappointed by delayed flights, cancellations or some ugly experiences on those flights. I have seen the rage, and this is a means by which they can ventilate that rage.

"This initiative represents a significant step in our commitment to safeguarding the rights and interests of aviation consumers across our nation.

Crashed helicopter

NCAA counters online reports with registration, airworthiness records

THE NIGERIA CIVIL AVIATION AUTHORITY (NCAA) has provided some explanations on the registration and airworthiness status of the crashed Sikorsky helicopter belonging to Eastwind Aviation.

Chris Najomo, the acting director general of the NCAA, in a statement, said the Authority was responding to a 'false' report on the matter by an online medium, which interchanged the status of another helicopter with the crashed one.

The NCAA, which noted that aircraft can be tracked not only by their registration marks but also by their Manufacturer Serial Number (MSN), explained that the 5N-BQG S76C+Helicopter has its MSN as 760486 while the 5N-BGN S76C+ Helicopter has its MSN as 760468.

It stated further that the S76C+ Helicopter with registration marks 5N-BGN and MSN:760468 was initially registered at the age of seven years on the 15th July, 2004 with Aero Contractors as the operator and Capital Aviation Services B.V. as the registered owner. The registration was reissued on the 13th of December, 2006 when the ownership of the helicopter changed to RBS Aerospace Limited. It further clarified that the S76C+ Helicopter with registration marks 5N-BGN and MSN:760468 was deregistered by Aero Contractors on the 18th February, 2009 to Transport Canada. The S76C+ Helicopter with registration marks 5N-BQG and MSN:760486 was initially registered at the age of 14 years on the 10th of December 2012 with Nestoil Plc as the registered operator and owner. The registration was reissued on the 13th of July, 2021 as a result of change of operator to OMNI-BLU Aviation LTD. and Ownership change to DANBA Associates Limited. A further amendment of the registration was done on the 30th of May, 2022 when the ownership changed to EASTWIND AVIATION LOGISTICS SERVICES LIMITED while maintaining OMNI-BLU as the operator.

"The final amendment to the registration was on the 27th of February, 2024 when the operator of the S76C+ Helicopter with registration marks 5N-BQG and MSN: 760486 was changed to EASTWIND AVIATION LOGISTICS SERVICES LIMITED. By this action, EASTWIND AVIATION LOGISTICS SERVICES LIMITED became the registered operator and owner of the helicopter.

"Based on the following data from our records, it is clear that Sahara Reporters could not clearly differentiate the records of the recently crashed EASTWIND AVIATION LOGISTICS SERVICES LIMITED S76C+Helicopter with registration mark 5N-BQG and MSN: 760486 and the AERO CONTRACTORS DE-REGISTERED S76C+ Helicopter with registration marks 5N-BGN and MSN: 760468," the statement reads.

The online medium, which NCAA is disproving, had reported that the helicopter was initially registered in the year 2004 as 5N-BGN with Aero Contractors after which it was deregistered to Canada in the year 2009.

It added that the aircraft registration was cancelled in September 2018 after it was "presumably scrapped".

Google Flights helps budget travellers find low-cost flights with 'Cheapest' tab

GOOGLE FLIGHTS IS HOPING to help budget conscious travellers unfazed by convenience and time to find low-cost flights with its new new feature that organises the cheapest flights for their destinations in a separate tab, per Simple Flying.

According to the report, travellers who use search engines such as Google Flights, Expedia, and other aggregate engines usually focus on getting the best deal. But Google Flights has introduced a feature aimed directly at travellers who sort by lowest price first.

The default page will still be the 'Best' tab, which shows a mix of convenience and cost. However, users can easily see the cheapest fares with just a single click.

According to Forbes, the 'Cheapest' tab organises the cheapest flights from multiple airlines to your destination based on various factors. It essentially ransacks the internet for flights through different airlines and online travel agencies (OTAs) to piece together a cheaper flight for you than anything else on the web.

However, there are some tradeoffs. These include:

- Flying multiple airlines
- Different arrival and departure airports at your destination.
- Significantly longer layovers, including overnights.
- Purchasing flights on different websites and piecing them together.
- Self-transfers between different unrelated airlines (which require you to check in and re-check your baggage again).

It's a lot of extra effort, but those willing to do the legwork will be rewarded with significantly cheaper fares than what is usually offered.

Continues on page 27

Air New Zealand, Qantas, Virgin Australia top 'safest airlines' list

● But African airlines fail to register in top 25

Phillip Isakpa

A LIST OF 25 AIRLINES SHOWING the world's safest carriers released recently by AirlineRatings.com has put Air New Zealand, Qantas, an Australian airline, and Virgin Australia as the three safest airlines in the world.

The list also shows a disappointing position for Africa as none amongst the continent's top carriers made the cut. Africans, particularly Nigerians, familiar with carriers from the Middle East, will find that their favourites, Etihad Airways, Qatar Airways, and Emirates Airlines are high up on the list at fourth, fifth and sixth positions respectively.

AirlineRatings is a product rating review site which released two lists, 'The 25 Safest Airlines For 2024' and 'The 20 Safest Low-Cost Airlines For 2024' and it named Air New Zealand the safest airline overall.

Air New Zealand is based in Auckland and operates 20 domestic and 30 international destinations in 18 countries.

"Air New Zealand operates in some of the most challenging weather environments which test pilot skills," said Geoffrey Thomas, the editor-in-chief of AirlineRatings.com. The airline operates with state of the art aircraft on the back of its focus on the latest technology, according to information sourced by Business a.m.

Australian carrier Qantas, the only airline in the world that flies to all continents, is second on the list for 2024, a drop from first position as the safest airline last year.

The rest of the top ten safest airlines comprise Virgin Australia, Etihad Airways, Qatar Airways, Emirates, All Nippon Airways, Finnair, Cathay Pacific Airways and Alaska Airways.

British Airways, one of the world's largest carriers, is the only British airline that is ranked on the list and it is ranked as the 15th safest airline of 2024.

But when it comes to the safest low-cost airlines for 2024, multiple British airlines are included in the list of the safest low-cost airlines.

For instance, easyJet and Ryanair in second and third places respectively, are part of the top ten safest low-cost airlines for 2024.

Hungary's Wizz Air, which has a British subsidiary that was launched in 2018, made the list in fourth place.

Wizz Air operates flights from eight UK airports to nearly 90 countries across Europe and the Middle East. British airlines such as Jet2, Virgin Airways and TUI did not make either of the lists.

The list of the world's 25 safest airlines are as follows:

1. Air New Zealand; 2. Qantas; 3. Virgin Australia; 4. Etihad Airways; 5. Qatar Airways; 6. Emirates; 7. All Nippon Airways; 8. Finnair; 9. Cathay Pacific Airways; 10. Alaska Airlines; 11. SAS; 12. Korean Air; 13. Singapore Airlines; 14. EVA Air; 15. British Airways; 16. Turkish Airlines; 17. TAP Air Portugal; 18. Lufthansa/ Swiss Group; 19. KLM; 20. Japan Airlines; 21. Hawaiian Airlines; 22. American Airlines; 23. Air France; 24. Air Canada Group; 25. United Airlines.

NSIB locates wreckage of crashed helicopter

Sade Williams/Business a.m.

THE WRECKAGE OF THE crashed Sikorsky SK76 helicopter with registration mark 5N BQG has been located by the allied team and partners leading the charge for the search and recovery efforts, said the Nigerian Safety Investigation Bureau (NSIB).

The helicopter, operated by Eastwind Aviation, carried eight individuals onboard and ditched in the Atlantic Ocean near Bonny Finima on October 24, 2024.

Bimbo Oladeji, spokesperson for NSIB said the wreckage was identified during Wednesday night's recovery dives, approximately 0.775 nautical miles from the FPSO Adoon. It was located at a depth of 42 metres, with coordinates registered at Latitude 04° 13.634′ N and Longitude 008° 19.442′ E.

It noted that efforts are currently underway for the recovery of the helicopter's wreckage. The tail boom of the helicopter has already been successfully retrieved and lifted from the water today.

Alex Badeh Jr., director general of NSIB, who commended the allied team and partners leading the search and recovery efforts, said: "Locating the wreckage is a critical milestone in our efforts to understand the circumstances surrounding this tragic accident. The dedication and cooperation shown by all involved parties have been exceptional, and we are determined to conduct a thorough investigation to provide clarity and closure to the families of those affected.

The Bureau said further recovery efforts for the wreckage are underway, and additional updates will be provided as they become available.

"NSIB remains committed to working closely with national and international partners to carry out the recovery and investigative process in line with its mandate to enhance transportation safety in Nigeria," the statement added.

The Airport Customer Experience

Convenience, speed are the priority for passengers

LAST MONTH, THE International Air Transport Association (IATA) released the results of its 2024 Global Passenger Survey, revealing that travellers continue to prioritise convenience and speed. For a smoother travel experience, they are eager to use biometric identification and complete some travel processes before reaching the airport. The International Air Transport Association (IATA) is the trade association for the world's airlines, representing some 330 airlines over 80 percent of global air traffic. They support many areas of aviation activity and help formulate industry policy on critical aviation issues.

Looking at the passenger journey, the report quoted Nick Careen, IATA's senior vice president of operations, safety, and security as saying that passengers want flexibility and transparency when planning and booking travel. While at the airport, their priority is speed and convenience. There is also the increased adoption by passengers of biometrics, digital wallets, and off-airport processes.

In selecting departure airports, proximity to departure airports was top priority (68%), followed by minimising total travel time (33%) and getting the best ticket price (25%). The layover time at an airport is surely important to travellers and will affect their choice of departure airport. Where airports are in close proximity, and visa constraints are taken off, total travel time is an important consideration in choice of airport and airline.

Further, 71 percent said they book travel online or via a mobile app, with 53 percent preferring to use the airline's website/app and only 16 percent preferring human interaction. The continued adoption of technology is an important consideration as airlines seek to attract passengers and increase the use of air travel in Africa.

Travel agents need to understand that information on ticket fares are no secret and can be searched out by passengers. The choice of one travel agent over another can be influenced by the ease with which any one can provide various information on airlines for the needed trip by the passenger. In the report, 32 percent said they wanted to have all travel information consolidated in one place during the pre-travel process.

Payment methods are still an important consideration for travellers. With innovations in payment methods, airlines and airports can gain some strategic advantage with innovations in payment methods. In the report,79 percent prefer to pay for travel with a credit or debit card (+8 ppt on 2023), followed by digital wallets at 20 percent (+2ppt on 2023) and instant payment solutions, such as IATA Pay, at 7% (+3ppt on 2023). Also convenience was the main reason passengers chose a particular payment method (70%), followed by benefits (39%) and security (33%), the report says.

An insight on the report is that passengers prioritise convenience in the planning, booking and payment phase of travel. For this convenience, they may accept some higher costs and they are increasingly willing to use technologies such as digital wallets.

While looking at technology, Muhammad Albakri, IATA's senior vice president for financial settlement and distribution services, said, "Technology continues to change the way people plan, book and pay for travel. Travellers expect the same conveniences when shopping for travel that they get in any other online shopping experience. That means simplicity, clarity, and with options to meet their preferences while keeping their data secure. The industry is stepping up to meet the demand for greater customer centricity through IATA's Modern Airline Retailing initiative. Passengers will experience its positive impact progressively in the very near future."

It also concluded that digital solutions are preferred by younger generations and that under-25s are considerably more proactive in using technology to improve their travel but want assurances on security.

The survey on airports considered time to boarding gate, willingness to share immigration data, immigration procedures, biometric identification and data protection. On these, Nick Careen was quoted as having said: "The clear message from travellers is that they expect to board their planes faster with technology and smarter processes beginning well before they reach the airport. And the good news is that we are making this happen. Already travellers can arrive at the airport ready to fly with admissibility checks completed. And biometrics and digital identity can deliver a paperless experience once at the airport. That's great for passengers. Importantly, the greater efficiency will help airport infrastructure to better cope with the growth in passenger numbers, helping to make the business case for adopting these new technologies and processes even more compelling."

The convenience and speed of service needed by passengers will be a differentiating factor for airports which should not be ignored in giving passengers the service they expect as they opt for air travel.

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).

Google Flights helps...

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Especially if the route is expensive or you're travelling with multiple people or as a family.

How does it work?

As mentioned, the feature aggregates fares for your route and given dates from many sources, including airlines, third-party travel agencies, and other airports. It allows users to compare the most economical fares on the market at a glance.

The feature will first be introduced in the US and will expand to other markets within two weeks. It is scheduled to go live in the US in November this year.

Showcasing travel trends

Google Flights also offers travellers plenty of data and travel information to help them book tickets when they are the cheapest. It also shows us the environmental impact of the route we choose by showing us the percentage increase or decrease in emissions of each flight route.

According to the website, these are the prevailing travel trends:

- For **domestic flights within the US,** tickets are at their lowest prices 38 days before departure. However, prices remain relatively low within 21 to 52 days before departure.
- For **international flights**, Google suggests booking tickets 101 days before departure. Prices tend to increase within 50 days before departure.
- Google Flights outlines that **Tuesday** is the cheapest day to book tickets, but it is only 1.3% less expensive than Sunday, the most expensive day of the week.
- **Monday, Tuesday, and Wednesday** are the cheapest days of the week to fly out. Monday is 13% cheaper for international flights than the weekend, and for US domestic flights, it is 20% cheaper.
- Flights with at least one **layover** are up to 25% cheaper than direct flights to the same destinations.

The website will utilise cookies and your browsing habits to suggest cheaper flights the more you use the platform.

Hotels in the 2030s: Perspectives from Accor's C-suite

Three hospitality executives envision a future in which hotels are sustainable, tech-enabled hubs for travellers and locals alike.

As one of the largest hospitality companies in the world — and the largest in Europe — Accor is both an observer and a key player in the evolution of travel. Its expanding portfolio of more than 40 brands now encompasses over 5,400 hotels in 110 countries, with a workforce of more than 290,000 people. The company says it seeks to "reimagine hospitality" as it anticipates and caters to travellers' changing needs and expectations.

In June [2023], McKinsey's Aurélia Bettati explored the future of hospitality and travel in interviews with three Accor executives — chief digital officer Alix Boulnois and, from the company's premium, midscale, and economy brands division, chief marketing officer Alex Schellenberger and chief design, technical services, and innovation officer Damien Perrot — at Accor's headquarters near Paris. An edited version of their conversation follows.

Alix Boulnois

Damien Perrot

Alex Schellenberger

McKinsey: People's travel habits changed a lot during and immediately after the pandemic. How do you think travel—and hotel stays in particular—will change in the coming years? Paint a picture of the hotel guest experience in the 2030s.

Alix Boulnois: When I think about the hotel experience in the 2030s, I think of augmented hospitality, which is this idea we have at Accor that the hotel is more than just a place to stay. It's not just a travel destination; it's a location people can enjoy even if they live in the neighbourhood. You can eat at the hotel, go to the spa, or enjoy the gym. In the future, a ton of other services could be offered at the hotel, like your bank, your mail, your laundry, and so on.

Damien Perrot: The hybrid model—where the hotel becomes a place dedicated not only to travellers but to locals as well—is an important and growing trend in the hospitality sector. In fact, I'll make a provocative prediction: in the 2030s, many people will choose to live in hotels instead of in apartments.

Just to give you an example: today, you may have a dining room in your apartment, and you invite people to come and share a meal there perhaps once a week or once a month. Do you need those dining-room square metres every day? No. So you don't need such a big apartment; you can live in a smaller place so long as you are able to get certain services when you need them. And a hotel can definitely meet those needs.

The rise of the 'bleisure' traveller

McKinsey: That's a fascinating prediction—and one that Accor clearly believes in, given the company's recent investments in branded residences. What about business travel? What trends are you seeing among business travellers?

Alex Schellenberger: Business travel is rebounding. We're almost, but not quite, at pre-pandemic levels. But we also see that the nature of business travel is changing. This trend of what we call "bleisure"—mixing business with leisure—will probably continue for the next few years. Looking ahead to the 2030s, it's likely that all these different elements of life—business, private life, play, going to restaurants, meeting friends—are going to intertwine.

That means hotels will need to provide multipurpose rooms and spaces where people can work, eat, and socially connect throughout the day. Now that many people can work from anywhere, hotel rooms need to be able to transform in a couple of minutes, so that you can potentially have a small in-person meeting with some of your colleagues or, at the very least, you can have a proper, professional video call.

Damien Perrot: Thanks to remote working, many people can now visit a place and stay there for a longer time. People would like to reduce their carbon footprint, but they still want to discover the world. So, for example, instead of going to Indonesia three times during your life, you might decide to go only once and stay there for one or two months. Instead of just seeing the architecture or visiting all the tourist attractions, you can take the time to live in and experience the country. So the hotel—whether it's a city hotel or a resort—needs to be a place where you can work in very good conditions. Today, the extended-stay business in the hospitality sector is booming. This trend will accelerate. We plan to make our extended-stay network three times bigger in the next three years.

Alex Schellenberger: Another trend we've seen arising since the pandemic is a strong focus on mental health and well-being. As a hotel company, we have a responsibility to help our guests recharge, sleep better, and feel restored when they stay with us. In the past, you might have felt more tired returning from a business trip. Now, it's up to us to give you the opposite experience.

For example, one of our brands, Novotel, which caters to this bleisure segment, is partnering with the meditation app Calm. If you're staying at one of our Novotels, you'll be able to use the Calm app and, hopefully, get to a better mental state.

Sustainable travel choices

McKinsey: Damien, you mentioned that people are more concerned about their carbon footprint. What role will sustainability considerations play in future hotel design?

Damien Perrot: Sustainability is the starting point of everything we do concerning design. When we talk about sustainability, we are talking about not just reducing the carbon footprint and energy consumption but also improving the quality of work for the employees—so ergonomics is also very important to integrate into design. Sometimes, design becomes a word that just means, "It looks nice." But it's much more than that: design is a tool which, when used properly, can make a property very efficient in terms of guest experience, employee experience, and sustainability.

Alix Boulnois: I believe our hotels will have evolved in the 2030s, with sustainability at the heart of this change. We can imagine some hotels whose energy is powered in a different way, hotels that may choose not to have a spa, or where traditional comforts are transformed with the good of the planet in mind. This is already happening, and I think it's just going to accelerate.

Damien Perrot: Indeed, in the 2030s, the design and architecture of hotels will be completely different. Biophilic design, which increases connectivity to the natural environment, will completely shape the future of hospitality. A range of technologies, many of which already exist today, will be integrated into hotels to make them more self-sufficient.

For example, hotel facades will be inspired by nature. Using plants that are integrated into the facade, we will be able to retain the rain needed to maintain this vegetation. The glass used in the hotel's exterior will capture solar energy. Hotel rooms will get direct light from outside; hotel corridors and hallways will be more like promenades or terraces. A hotel will be like a landmark in a city—you might not even be able to identify it as a building at all.

Alex Schellenberger: It's no secret that the tourism and hotel industry is responsible for a big chunk of carbon emissions, so we have a big responsibility to lead in this sector. As of the end of 2022, 84 percent of our hotels had removed 46 different single-use plastic items, and we're continuing on our journey to achieve a full 100 percent.

We've just announced partnerships with Green Globe and Green Key, which provide eco-certifications of hotel operations. Our recent research revealed that 65 percent of travellers would opt in if presented with more sustainable travel choices. And we want to incentivize people to make more sustainable travel choices—so when people search for hotels on our booking platform, they'll be able to see sustainability certifications and labels, and the eco-certified hotels will appear as the first options.

We also offer, through our loyalty program, an option for people to donate their loyalty points to support sustainable causes. And, of course, we offer our guests the choice to forgo the daily change of bedding and towels. All of these little choices actually do help.

The technology of tomorrow

McKinsey: Another game changer across all industries is data and digital technology. How might the hotels of the future use technology to improve operations or guest experiences?

Alix Boulnois: Think about micro-personalisation. You can imagine a world in which every single touchpoint with a guest is unique. On our digital channels, we'll be able to recognise the guest, know their history and their background, and contextualise what we show them.

But it doesn't stop at our digital channels. When the guest arrives at the hotel, we'll also use technology to provide hotel staff with information so that they can serve the guest in a personalised fashion. They need to be able to say, "Hello, Mr. X, we know you're travelling with your kids—and we know you love chocolate, so we've left some chocolate in your room," and so on. One thing that will be really cool is that we'll allow each guest to personalise many details of their stay: the temperature in the room, the scent, the layout, what side of the building the room is on. Technology will help make sure that we provide consistency across the entire customer journey and that we offer something distinctive for every single guest.

Damien Perrot: You will be able to book your room directly from the app, which will be personalised so that it can propose the best hotel and the best room for you depending on your preferences and the reason for your stay. You can also decide to go straight to the room with your mobile app, so the reception and transactional process will disappear if you prefer.

That will free up the hotel staff to dedicate their time to helping guests in more active, less transactional ways.

Alix Boulnois: I also believe AI and, more specifically, generative AI will change the distribution of hotels in the future. Today, there is a lot of intermediation when it comes to booking hotels. The process is actually fairly traditional: people visit a website, they start a search, and they get a range of hotels to choose from. And everyone sees the same price at any given point in time.

In the future, some of this intermediation might disappear. You can imagine something way more fluid, where customers interact directly with the hotels through a generative-AI-powered marketplace, where they can see offers from the hotels and potentially trade with other customers. For instance, if you can no longer travel on the specific dates that you booked, you can resell your room to another customer. AI will show exactly the right hotel at the right price to every customer — so, customer A and customer B won't see the same offers.

You could also imagine that when you're booking a trip, you see more than just the hotel and transportation options. In the future, you'll most probably be able to book experiences, restaurants, and activities in the area.

McKinsey: What about extended reality (XR), like augmented and virtual reality? In what ways do you see the hospitality industry using XR technologies?

Alix Boulnois: We're already seeing some usage of augmented reality and the metaverse to allow people to project themselves to a different location and explore new places virtually — but we don't see it replacing travel entirely. The technology is still very nascent: the helmets are still heavy, the goggles usually give you a headache after 30 minutes, the entry cost for a customer is still prohibitive. So augmented reality is not necessarily something that we're pushing in the near future. We are, however, exploring NFTs [non-fungible tokens]—we believe there's potential for us to use them to provide unique experiences and allow customers to auction them off or exchange them with one another.

Our role is to provide unique moments to our guests, and technology is super important to our ecosystem. At Accor, we are actively looking at many new technologies, especially AI—and, more specifically, generative AI—which we truly believe will shape the future of hospitality.

Alex Schellenberger: I agree. AI's impact is going to be huge, and that's true in marketing as well. It is certainly going to help us be more predictive. Based on the previous booking history of our guests, we'll be able to determine what they will like in the future, so we can make better suggestions to them about hotel brands, destinations, and guest experiences. We might soon be able to use AI to determine what our next marketing campaign should be.

But as a marketeer, I believe we need to keep the creativity, and AI will never be able to replace that. Marketeers must continue to be the voice of the guest and fly the flag for our customers. We need to continue to be the creative force that drives commerciality, because humans—not AI—will be the ones who can build strong and resilient brands over time.

About the author(s)

Alix Boulnois is chief digital officer at Accor Group, where Damien Perrot is chief design, technical services, and innovation officer for premium, midscale, and economy brands, and where Alex Schellenberger is chief marketing officer for premium, midscale, and economy brands. Aurélia Bettati is a partner in McKinsey's Paris office.

Comments and opinions expressed by interviewees are their own and do not represent or reflect the opinions, policies, or positions of McKinsey & Company or have its endorsement.

Travel Disruptors: Sonder's Francis Davidson on the future of hospitality

The inaugural instalment of the Travel Disruptors series spotlights an accommodations company that wants to use design and technology to build a better-travelled world open to all.

Francis Davidson, Sonder's co-founder and CEO, never thought he'd start a company. "I didn't know I had the entrepreneurial gene in me," he says. But subletting his student apartment one summer while attending Montreal's McGill University eventually led him to manage a portfolio of short-term rental spaces — often handling booking, guest services, and housekeeping himself. In 2014, with his accommodations holdings rapidly expanding, Davidson incorporated the business. Sonder (rhymes with "wander") attempts to combine the reliability and sheen of a luxe international hotel with a tech-forward vibe. The company has so far focused on urban markets, but Davidson harbours grand ambitions. "We hope to make a dent in resorts, vacation destinations, and every other kind of accommodation," he says. "The opportunity is to revolutionise hospitality, full stop." Sonder went public on Nasdaq in early 2022 and now does business in more than 40 cities in ten countries.

In this instalment of Travel Disruptors, Davidson spoke with McKinsey's Ryan Mann about learning from legendary hoteliers, using technology to transform the guest experience, and creating brands that draw on travel's narrative power. Their conversation has been edited for length and clarity.

McKinsey: What's the difference between what Sonder provides and what you'd see from a traditional hotel chain or a short-term rental company?

Francis Davidson: Design is one differentiator. The main difference from a big-box, chain hotel room is that Sonder makes you feel like you're in a boutique accommodation. We've taken great inspiration from some of the best boutique hotels and most beautiful, well-architected buildings. You'll see beautiful art on the walls, sculptural furniture, and interesting colours and patterns. Our locations also have a sense of place, speaking to the design and architecture typical of their city or country.

The difference from a short-term rental—a mom-and-pop–run accommodation—is that we offer standards of consistency and quality that you typically don't get within that category. So you'll see crisp white linen, stacked towels, and great soaps and shampoos.

Tech is another area that differentiates us. Interactions with our guests have been modernised. We have a guest app that allows you to get service at your fingertips 24/7. You can request an early check-in or late check-out on the app. You can call an Uber from the app when you're at the airport and the app will automatically load your Sonder destination. There are a variety of integrations that make our service seamless, high quality, and consistent.

We power the business using tech to elevate the hospitality experience while also putting that experience within reach of the majority of consumers. We've leveraged technology in ways that let us offer our experiences at really affordable price points. When you bring these things together—a boutique accommodation, elevated design, standards of quality and consistency, all at a price point that's affordable—it makes for a compelling value proposition for the guest.

McKinsey: When you think about potential new properties, how do you identify them? What are you looking for in terms of location, style, and lease terms?

Francis Davidson: The ambition of Sonder is to become the leading hospitality company globally. But there are key questions as we expand. What is the right sequencing? Which markets should we launch in first? Which kinds of properties should we look for that will allow us to scale as efficiently as possible?

Typically, we launch in markets that are near each other, because the vast majority of travel isn't over long distances. People tend to travel more regionally than they do far away. This expansion pattern also means we have operations that we can leverage nearby. Operating efficiency is really important in delivering our mission.

When it comes to specific assets, we think a lot about design and architecture. All our decisions pass through an internal review committee made up of various functions across the company. Another important part of the criteria is our economic threshold. As a business, we are very much focused on capital efficiency, and we have certain hurdles when it comes to payback periods, margins, and the lifetime value of a deal. We have robust underwriting, with hurdles that we must clear in order to move forward with an asset.

When a deal has compelling unit economics, with a guest experience that aligns with our brand, in a market that makes logical sense given our existing map, then we get really excited about that growth opportunity.

McKinsey: Sonder is a tech-led hospitality company. How is technology shaping next-generation hospitality experiences for travellers?

Francis Davidson: When it comes to technology that modernises the way a hotel is operated, there's immense white space. The way hotels have operated for the last 40 years hasn't changed a ton.

For example, property management systems today are still, by and large, on-premises pieces of software. There hasn't been a shift to the cloud. There are a lot of things that are still done manually by hospitality workers—whether it's check-in or handling guest requests—that could be streamlined and automated for the benefit of the guests. You shouldn't need a labour-intensive process just to get someone through the door or to answer a basic request. In the traditional hospitality world, either you do things face-to-face by going down to the front desk or you pick up a physical phone in the room and push something on that keypad that will connect you to a live agent. We've tried to transpose these interactions to the modern era by automating them and handling them through text messaging on our app. You should be able to use your own phone to unlock your door and to send requests. Standing in a check-in line and picking up the room phone to order room service feel like dated parts of the hospitality experience. You would expect it to be far more modern by now.

This is something that's especially important to the customer base we focus on—primarily millennials and Gen Z, who are going to be the majority of travellers shortly. We build our guest experience for this digitally native generation that much prefers the frictionless experience you get by having instantaneous, tech-driven service and design-forward spaces.

McKinsey: Are you seeing more growth and interest recently from business travellers or from leisure travellers?

Francis Davidson: Sonder's customer base has historically been focused on leisure. But in 2021, we launched our business travel program, and we've seen really strong

growth so far. With economic uncertainty, most businesses are thinking, "Is there a way I could be more efficient on my travel dollar spend?" One segment that works well for us on the business travel side is extended trips. Think about a film crew on a long shoot, for example. It can be challenging to stay in a hotel room. Our apartment-style product fits particularly well: you have a washer and dryer and a kitchen, so you can do your own laundry and cook your own meals.

McKinsey: How do you address the typically lower-margin, higher-cost structure of hospitality?

Francis Davidson: One element that helps us be substantially more efficient is the physical footprint of our buildings. Often, hotels have lobbies that are way too large, which means there's too much space that's used unproductively. We tend to have much smaller lobbies at Sonder.

We also use self-serve approaches to operate more efficiently and then pass those savings on to guests. For instance, when guests arrive early or want to check out late, they need a place to store their luggage. Instead of doing that with a front-desk agent, we have well-designed luggage lockers. There's another self-serve space where you can find extra towels and toilet paper. All of this is presented to the guest through our digital channels so that we point our guests toward these self-serve pieces of infrastructure that exist within our buildings.

We also outsource to high-quality food and beverage operators. We know that running a good restaurant is challenging. Most midscale and even upscale hotels struggle to do that well. What we do instead is find local food and beverage operators and then integrate with them to make sure that they can provide their experience to our guests in a seamless fashion, without us having to take on that operational burden.

McKinsey: Design is a critical component for Sonder. How do you think about the role of design in travel? How do you use it to differentiate your brand?

Francis Davidson: Design is incredibly important for the hospitality business. There's been a generational shift, maybe because of the rise of Instagram, and we see that design is now one of the major drivers of decision making for next-generation travellers. There's a sense of pride that they get when they stay at a really well-designed place. They're going to take a photo. Maybe they're going to post it online.

One of my favourite books, Alain de Botton's The Architecture of Happiness, goes into great detail about how well-architected buildings could lead to a more fulfilled life. We've tried to take lessons from various architects, industrial designers, and artists so that we can bring their ideas to hospitality outlets that democratise access and are available to the many. This follows the trend set by the mid-century modern movement, when designers such as Charles and Ray Eames were saying that design should be within reach for all.

McKinsey: At McKinsey, we talk a lot about how, over the past couple of years, travel was taken away from people — and that made them appreciate it even more. How do you think the pandemic has changed hospitality?

Francis Davidson: The pandemic has accelerated the adoption of new guest-facing technology by, probably, a decade in the course of a couple of years. Things like contactless check-in, mobile keys, and housekeeping that's by request only—these have come about much more rapidly as a result of the pandemic. Those things are also aligned with our general approach. We think that this was the inevitable path that hospitality was headed toward; it's just been accelerated.

McKinsey: What's your vision of what the future of travel will look like? What are future travellers going to want from their hospitality experiences?

Francis Davidson: I think what you're going to see is extremely aspirational hospitality being available to the many. There's no reason why a beautiful space should cost four or five times more than a humdrum space. With the help of technology, there's no reason why service shouldn't be instantaneous, 24/7, and just as good as service at the best five-star hotels—but at a three-star price point. I think what we're going to see is an upleveling of the quality of the customer's experience as the industry gets much more efficient.

I also think we're going to see the rise of very powerful consumer travel brands. The opportunity for storytelling in travel is enormous. Almost everyone, when they take time off, the first thing they think about is "Where can I go? How can I travel and explore the world?" It's something that pretty much everyone loves to do. But the most powerful brands that exist in the world today are brands that sell things that don't have anywhere close to the strong narrative power that travel has. I'm hoping that over the next couple of decades, we're going to see the emergence of many superbrands within travel.

McKinsey: What's been your most unexpected lesson so far?

Francis Davidson: Initially, we were going to do everything our way and start from scratch. Then we realised that, in many instances, we were trying to reinvent the wheel. We could do a better service to the future of hospitality by adopting existing best practices when a system has been optimised, so that we can concentrate on things that we actually want to change.

I read the biography of Kemmons Wilson, the founder of Holiday Inn. There are immense lessons to be learned from it. He built an amazing all-American company that then became an international success. There are other examples of people — Conrad Hilton, the Marriott family — who have done extraordinary things in the world of hospitality that we ought to study and understand. It's about being humble and finding a delicate balance between respecting the status quo and, at the same time, wanting to improve and disrupt it.

McKinsey: What are your favourite moments on the job?

Francis Davidson: My favourite moments are the times when we've faced an immense crisis and managed to pull the team together and get through it. Sonder shouldn't really be around now after the pandemic. We're a hyper-growth company that is dependent on travel demand, which completely evaporated overnight. That was really hard, and not all companies in the space made it. We found a way to keep our properties occupied by pivoting to extended stays of 14 days or more, which provided the vast majority of our revenue within a few weeks. It was an extremely intense project that we pulled off — landing pages, marketing, pricing models, sales, new distribution channels. All of that happened within a matter of days. We managed to launch this in March of 2020, within the first few weeks of the pandemic. It saved the business.

I think very few people realise the upside of a crisis when it's happening, because it's so scary. It could be demotivating in that moment. But when it works out, and you look at it from the other side, it generates immense pride.

Janngo Capital's $78m fund fuels inclusive growth in African tech

Stories by Joy Agwunobi

THE TECH AND INVESTMENT SECTORS across Africa, much like in many parts of the world, face a persistent gender disparity, with men holding the majority of leadership roles and securing the bulk of venture capital investments. This imbalance has created a significant gender gap, one that can slow down innovation and leave untapped potential across the entrepreneurial landscape.

In light of this disparity, Janngo Capital, an Africa-focused venture capital firm, has emerged as a formidable advocate for inclusive growth. With a distinct focus on gender equity, Janngo has closed its second investment fund at €73 million ($78 million), surpassing its initial target by 20 per cent, marking it as Africa's largest gender-balanced tech VC fund.

The firm's commitment to bridging the gender gap aligns closely with its mission to foster job creation and entrepreneurship opportunities for women and youth in Africa. The fund is backed by a strong network of international and African investors including the African Development Bank Group (AfDB), and the European Investment Bank (EIB).

Other investors who joined the second fund include the Mastercard Foundation Africa Growth Fund, ANAVA, the U.S International Development Finance Corporation (DFC) and the World Bank's International Finance Corporation (IFC), With this diverse investor base, Janngo aims to drive African entrepreneurship by enhancing access to vital services, expanding the reach of small and medium-sized enterprises (SMEs), and creating sustainable jobs.

L-R: Edmond Raffoul, Business Development Manager, Hijaziwood Starwood; Jacqueline Aki, Director, Design Week Lagos, Titi Ogufure, Founder, Design Week Lagos; Christopher Tarka, Chief of Staff to the Secretary of the Government of the Federation; Osaru Alile, Director, Design Week Lagos; Roland Tannoury, Managing Director, Uniwood Ltd, at Starwood booth during the just concluded Design Week Lagos 2024

Founded by Fatoumata Bâ, Janngo Capital has developed a reputation for targeting high-growth sectors that address core societal needs across healthcare, financial services, retail, agritech, and logistics. The firm, one of the few female-founded and led venture capital firms in Africa, operates with a commitment to bridging the gender gap.

Since the launch of its first fund in 2018, the VC has successfully made over 30 investments across 21 startups, fostering scale-ups and supporting businesses through various stages, including Series B financing. Currently, 56 per cent of its portfolio comprises women-led enterprises, such as Sabi, Nigeria's B2B eCommerce platform.

With each investment, Janngo strengthens these enterprises, enabling them to thrive and meet the diverse needs of consumers in Africa as well as enabling African businesses to grow, create jobs, and empower communities.

Additionally, the firm noted that "with the IFC's support, it aims to direct a significant portion of its capital toward low-income and post-conflict African countries, with at least 50 per cent allocated to women-led companies".

Commenting on the fund's closure, Fatoumata Bâ expressed pride in the impact of Janngo's efforts and highlighted the breadth of investor interest: "We are proud to announce the final closing of our second investment vehicle at $78 million, 20 per cent above our initial target pledged in Davos."

Bâ further expressed that the firm was particularly honoured to have garnered support from a diverse mix of top-tier investors from both Africa and beyond, encompassing institutional and private backers with both impact-focused and commercially driven goals.

She emphasised that this broad support was not only a testament to the strength of Janngo's team but also a significant vote of confidence in the African tech ecosystem and its promising growth trajectory.

Ambroise Fayolle, Vice President of the European Investment Bank, emphasised the importance of Janngo's approach in driving Africa's economic development: "Empowering female entrepreneurs across Africa is crucial for unlocking the continent's full potential.

The European Investment Bank is pleased to support venture capital investment by the Janngo Capital Start-up Fund which is enabling women-led businesses to thrive, innovate, harness technology, and create sustainable jobs. By providing access to finance and fostering entrepreneurial talent, we are not only contributing to gender equality but also driving economic growth and resilience across Africa."

Samuel Akyianu, the managing director of the Mastercard Foundation Africa Growth Fund, emphasised the critical role that job creation for women and youth plays in achieving Africa's economic goals, stating that establishing secure, dignified, and fulfilling employment is essential for the continent's growth.

"For Africa to achieve its development agenda, as well as the UN Sustainable Development Goals, innovative and proactive approaches to job creation for women and youth are essential," Akyianu noted. Mateo Goldman, Senior Vice President of Investments at DFC, noted the broader impact Janngo's investment model can have on fostering entrepreneurship and economic empowerment in Africa. "DFC is delighted to partner with Janngo Capital Start-up Fund, a commitment intended to support the continued development of the venture capital ecosystem across Africa."

Goldman added, "Through DFC's commitment, this partnership will result in improved access to financial resources, bolster economic stability, and increase job opportunities, especially for women and the youth."

According to Farid Fezoua, the Global Director for Disruptive Technologies, Services, and Funds at the IFC, the project aims to enhance access to early-stage equity financing for tech entrepreneurs in the Francophone West Africa region, which has been underserved by venture capital relative to other areas in Africa.

He expressed delight in supporting the fund's investment strategy, which plans to direct 80 per cent of its capital toward low-income and post-conflict countries, with at least half allocated to women-led enterprises.

Telcos losing billions of naira to vandalism

THE NIGERIAN COMMUNICATIONS COMMISSION (NCC) has shed light on the ongoing challenges faced by telecom operators in the country, highlighting widespread fibre cuts, vandalism, and theft of equipment as major setbacks.

These issues have resulted in financial losses amounting to billions of Naira for operators, according to Aminu Maida, the executive vice chairman of the NCC.

Maida made this statement during the inauguration of the Critical National Information Infrastructure (CNII) Protection and Resilience Workshop, an initiative aimed at bolstering Nigeria's communication infrastructure against persistent threats.

The event, which was organised by the National Cybersecurity Coordination Centre (NCCC) under the Office of the National Security Adviser, came in the wake of President Bola Tinubu's recent Executive Order issued in August.

The directive officially classified Nigeria's telecom infrastructure as Critical National Information Infrastructure (CNII), with the objective of safeguarding these assets against malicious activities that compromise both service quality and operational efficiency.

During his keynote address at the workshop, Maida stressed the urgency of implementing the CNII Executive Order to protect Nigeria's digital and communications infrastructure.

He stated, "The telecom industry faces significant challenges, including frequent fibre cuts, vandalism, and theft, which cost operators billions of Naira in revenue and repair expenses.

Additionally, restricted access to telecom facilities by property owners and government entities hampers network expansion efforts, limiting connectivity and impacting service quality."

Prior to the recent CNII designation, telecom operators in Nigeria had expressed frustration and urged for recognition as critical infrastructure.

KoçSistem, SBM join forces to boost MENA digital transformation with advanced cloud, AI solutions

KOÇSISTEM, A PROMINENT Turkish technology firm, has recently entered into a strategic agreement with Saudi Business Machines (SBM), the leading provider of comprehensive enterprise information technology and telecommunications solutions in Saudi Arabia.

This collaboration aims to harness the strengths of both companies in areas such as cloud services, managed services, and consultancy.

The newly established partnership between both companies will create synergies that will enhance their existing capabilities, offering improved services to customers across the MENA region.

KoçSistem's subsidiary, KoçDigital, will also actively contribute to the partnership by delivering solutions in Industrial Internet of Things (IIoT) through its Platform360, alongside offerings in manufacturing AI, data management, and supply chain management.

Commenting on the significance of the collaboration, Mehmet Ali Akarca, general manager of KoçSistem, stated, "As Türkiye's leading technology provider, KoçSistem's strategic partnerships leverage our 80 years of industry experience. Our alliance with SBM represents a crucial step in strengthening and broadening our footprint throughout the region."

Akarca also highlighted the opportunities that arise from regional economic growth driven by a tech-savvy young population, significant public infrastructure investments, and ongoing digitalisation by efforts in the Middle East.

He added, "We are committed to supporting the development initiatives of both countries through local technologies. With our offices strategically located across the Middle East, KoçSistem aims to enhance its regional expertise and experience through these partnerships. We believe this agreement will effectively address the evolving market demands of Saudi Arabia and the surrounding region in critical technology sectors."

Essam Alshiha, CEO of SBM, shared his excitement regarding the partnership, emphasizing SBM's commitment to equipping Saudi Arabian businesses and organizations with transformative technology solutions. He highlighted that the strategic alliance with KoçSistem represents a major step forward in achieving this objective.

"By merging KoçSistem's extensive regional insights with SBM's unmatched local expertise in AI, cloud computing, and managed services, we can leverage our combined strengths to drive greater technological innovation and create lasting value," Alshiha added.

43% of world population offline, says GSMA

Joy Agwunobi

THE GLOBAL CONNECTIVITY gap persists as a staggering 43 per cent of the world's population, or approximately 3.45 billion people, remain unconnected to the digital world, according to a new report by the GSMA.

This, according to the report is hindering economic growth and social progress.

To bridge this digital divide and achieve universal mobile internet access, the report estimates that a massive investment of $418 billion is needed. Key barriers to connectivity include affordability, digital skills, and network coverage.

Thus, the GSMA urges governments, mobile network operators, and international organizations to collaborate and take decisive action to address these challenges by investing in infrastructure, promoting digital literacy, and addressing affordability issues.

"We can connect the unconnected and empower individuals and communities worldwide when we collaborate and invest in local digital ecosystems to ensure the sustainable growth of mobile internet connectivity," said John Giusti, Chief Regulatory Officer at the GSMA.

Affordability:

Mobile devices can be prohibitively expensive, especially in low-income countries.

In Sub-Saharan Africa, mobile phones can cost nearly 99% of the monthly income of the poorest individuals.

Digital Skills:

A lack of digital literacy and skills limits the ability of individuals to fully utilize mobile internet services.

Network Coverage:

Approximately 350 million people worldwide live in areas without mobile network coverage.

The Economic Impact of Connectivity: Closing the digital divide could add $3.5 trillion to the global economy by 2030, with the majority of benefits accruing to low- and middle-income countries.

Nigeria's 70% national broadband target receives setback

Joy Agwunobi

NIGERIA'S BROADBAND penetration rate has unexpectedly declined, casting doubt on the nation's ability to achieve its ambitious 70 per cent national target.

Despite concerted efforts and the implementation of the National Broadband Plan (NBP 2020-2025), Nigeria's broadband penetration rate slipped to 41.56 per cent in September 2023. This marks a significant setback from the 43.71 per cent recorded at the end of 2023.

While no official reason has been given by the regulator, the decline in broadband subscriptions may be linked to the mandatory SIM card verification process, which led to a temporary decline in active subscriptions.Other key factors for the decline could be poor infrastructure, particularly in rural areas, high cost of right of way, affordability issues and slow 4G adoption. This is despite the government's push for 4G, a significant portion of the population is still relying on slower 2G and 3G networks.

Meanwhile, to address these challenges and accelerate broadband penetration, the Nigerian government has initiated several measures: they include project 774 LG connectivity aims to connect all 774 Local Government Areas to the internet, expanding digital access.

Also, Special Purpose Vehicle (SPV), which the government plans to establish to deploy an additional 90,000km of fiber optic cable, significantly boosting the country's connectivity infrastructure.

While these initiatives hold promise, their successful implementation will be crucial in bridging the digital divide and achieving the 70 per cent broadband penetration target. Overcoming infrastructure hurdles, reducing costs, and promoting digital literacy will be essential to unlocking the full potential of broadband connectivity in Nigeria.

Data & Information Governance Insight

Building trust through data privacy

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

TUNDE SAT ON THE edge of his chair, watching his daughter, Ayomide, happily tapping away on a tablet. She was only seven, but she'd already discovered the joy of connecting with friends online. It made Tunde proud — and a little nervous. He remembered a time when sharing meant showing family photo albums, not sending private moments out into a vast digital world.

Tunde worked in technology and was helping his team prepare to launch a social media platform. It was an exciting project meant to bring people together, but he knew it wasn't just about creating a fun app. It was about building a place where people's private lives would be safe. Privacy wasn't just a rule to follow; it was a responsibility, almost like protecting a family. He needed everyone on his team to understand this. In the world of technology, this was called "change management" — making sure everyone was on the same page, seeing the value in protecting people's data.

As the platform launch day drew close, Tunde brought his team together to talk about what privacy really meant. He wanted them to see beyond the technical details, so he used real-life examples. He asked them to think of themselves as protectors of trust. "Imagine someone shares a photo of their child or a private message with a friend," he said. "How would you feel if that ended up in the wrong hands?" It was a simple question, but it made his team pause. They saw that their work was about honouring people's trust.

Not long after, the platform went live, and users began signing up. For Tunde, each new sign-up was a reminder of the responsibility they held. Every user shared pieces of their life — photos, messages, moments. One day, a customer support agent named Nnenna noticed users accidentally posting personal photos in public spaces. Tunde knew this was a small issue that could have a big impact on user trust, so he quickly gathered his team to address it. They worked together to create safeguards, making sure it was clear when posts were private and when they were public.

For Tunde, these were the little moments that made change management real. Privacy wasn't just about ticking boxes or following some law. It was about thinking of every user, every Ayomide, and ensuring they felt safe sharing their lives on the platform. And it wasn't just the users who faced challenges. A senior executive proposed a plan to boost engagement by gathering more personal data. It would make the platform more personalised but would mean collecting extra user information.

Tunde felt a wave of caution. He knew it could help the platform grow, but it might also put privacy at risk. He explained his concerns and suggested alternatives that would respect user privacy while still improving the experience. The executive agreed, and Tunde's team saw that when it came to privacy, they'd always choose what was right over what was easy.

As months passed, the team faced more changes. New laws required them to adjust policies, and Tunde arranged training sessions to keep everyone updated. But something remarkable happened: his team began anticipating privacy needs on their own. They came prepared with ideas to make the platform safer, even without being prompted. Change management had become a shared mindset.

When Tunde looked around, he felt proud. His team wasn't just following rules; they'd become guardians of user trust. For them, privacy was no longer just a task; it was a commitment. Users could enjoy connecting with others without fear, knowing Tunde's team was working tirelessly to protect their stories and memories.

And maybe, just maybe, users would feel the same comfort Tunde felt every time he saw Ayomide sharing her world online.

Nigeria gears up for AI Leadership with N2.8billion Google grant

Joy Agwunobi

NIGERIA IS TAKING a major leap towards becoming a leader in Artificial Intelligence (AI) innovation. The Federal Ministry of Communications, Innovation & Digital Economy (FMCIDE) announced a significant collaboration with Google.org. This partnership includes a grant of N2.8 billion to support the development of a skilled AI workforce in Nigeria.

This initiative directly addresses the need for AI expertise in Nigeria. The Google.org grant will be directed towards Data Science Nigeria, an organization working with the FMCIDE on AI talent development programs. Here's a breakdown of these programs:

DeepTech Ready Upskilling Programme: This program aims to equip 20,000 young Nigerians with advanced skills in data science and AI, preparing them for careers in this growing field.

Experience AI Programme: This program targets educators, providing them with the tools and resources to introduce AI to 125,000 young people. This initiative aims to inspire the next generation of AI innovators.

Government AI Campus Programme: This program focuses on upskilling policymakers and government officials on AI policymaking. This ensures responsible development and implementation of AI policies in Nigeria.

Building a strong foundation in AI

This collaboration builds upon the groundwork laid by the FMCIDE earlier this year. The Ministry hosted the National Artificial Intelligence Strategy (NAIS) Workshop, followed by the release of the National AI Strategy. This strategy outlines a plan to leverage AI for economic growth, improved governance, and increased well-being for all Nigerians.

Supporting innovative startups

The announcement also highlighted the beneficiaries of the AI Fund, established by the National Centre for Artificial Intelligence and Robotics (NCAIR) in partnership with Google. Each selected startup will receive N100 million in funding and up to $3.5 million in Google Cloud Credits to scale their solutions. Additionally, these startups gain access to Google's AI tools, mentorship, and a network of global innovators.

The 10 startups selected represent diverse sectors like healthcare, agriculture, education, and governance. By leveraging AI, these startups can address local challenges and drive sustainable economic growth.

Monday, Nov. 4 - Sunday, Nov. 10 2024
business a.m.
TOWARDS MORE EFFICIENT MARKETS

Nigeria’s falling fuel consumption and its deeply troubled economy

IKEM OKUHU

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

IT HAS BEEN FLYING ALL around social media, and at one point, I got confused about what people were celebrating bandying the drop in the volume of fuel Nigerians consumed each day. While many of the people sharing this were “using style” to praise the Tinubu administration for using subsidy removal to reveal the fraud in the system, there were those who were gloating over the savings wrought on Nigeria by the government by putting the brakes on excessive consumption of fuel. Still sharing these posts were innocent people making jokes about the entire situation with little or no understanding of how dire things truly are.

Those who shared the information cited data from the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), which indicated that daily fuel consumption dropped to 4.5 million litres in August 2024 from 60 million litres in May 2023, a staggering 92 percent fall.

This is happening even as the alarm was being raised about the potential closure of 10,000 petrol stations as a result of the drop in patronage.

If fuel consumption has fallen from a high of more than 60 million litres per day in the month President Bola Tinubu was sworn in, to just over 4 million litres, less than 18 months after, nothing could tell Mr. President of the level of regression this economy has witnessed under him and in so short a time than those numbers.

In 1977, renowned novelist, Jeffery Archer published a novel titled, ‘Shall We Tell the President’, in which he told the story of a plot to assassinate an American president and about which all but one of those knowledgeable about it are conveniently killed, thus creating a big problem of how to inform the country’s president, historically the first woman president, of the plot.

Nigeria is in a situation where sycophants have confiscated all the microphones, ensuring that no other voices but theirs are heard. But even if it is in a whisper, shall we tell the president that the drastic drop in fuel consumption is a stark reveal of the country’s halting progression sprockets? Shall we get the chance to whisper to him the damning implications of these situations on the country he has offered renewed hope?

The first monster that is staring us in the face is the one of the industrial slowdown, and here, we do not need to chant “solidarity songs” to understand just how bad things have become. Over the past few months, several big businesses have closed their operations in Nigeria and one of the reasons is the cost of operations. Nigeria has been unable to steady grid electricity and to be in the market, every organisation became its own power-generating company. The result is that any increase in the cost of petrol directly impacts productivity. Any business which finds itself in a situation where it can no longer fuel its machinery optimally to profitably remain in business faces the grim fate of closure.

In the United States, the past three elections have had the candidates pitch the return of in-country production from China as major campaign planks. I do not know how it is “smelling” to those around the Nigerian presidency, but it is not an impressive accomplishment to be remembered as the people who supervised the flight of industry from Nigeria and the total collapse of those who wished to remain here.

Unemployment is the next factor and stems directly from the slow grind or total shutdown of industry. Let us even start with the information from the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), which said about 10,000 operators might be forced to close their businesses.

First, you have to assume that these 10,000 petrol stations have four pumps at each of their stations and that means four attendants for each pump. Assuming they run two shifts each day, that is eight employees. If you add the person in charge of the accounts department, the manager, the person in charge of selling lubes, the tanker drivers and other staff, you are talking about at least 15 employees for each of these 10,000 petrol stations. Add the 150,000 people that will be affected here to the hundreds of thousands of others who are daily losing their jobs as factory workers and other employees along the value chain and it would be clear where we are as people.

The hardship occasioned by the increased energy costs has fractured our social interactions and made coping impossible. This country used to be the place where the happiest people in the world were found. I do not know if any person would be crazy enough to give Nigerians such an ill-fitting label again.

The peculiar communal Nigerian society is therapeutic, with each person possessing healing balms safely kept to aid other people in times of need. We are our brothers’ (and sisters’) keepers. Our nature made us so. It is the reason some people have taken advantage of this peculiar trait to make fortunes from begging. Yes, there are rich Nigerian beggars. Years ago, I recall stopping to fix a flat tyre somewhere in Lagos when a lady driving a Mitsubishi Gallant pulled up to ask me for some money so she could buy petrol: she ran out of money and needed to rush home to take care of a suckling. I obliged and gave her a decent amount, higher than what she requested. Two years later, I saw her, on the same beat. There are many like that: people who would not take paid jobs because they make more money taking advantage of Nigerians’ generosity.

This is disappearing. The other day, I saw a video of some beggars protesting the paucity of alms somewhere in Benin, Edo State. Before this season, a man who is down on his luck could reach out to a few friends to “raise” him. Some of us graduated from the university, feeding off friends who were better financially.

In an article I did in April 2021 titled, “Can the Social Capital Market Have a bearing on Economic Transformation”, I anchored my thesis on the social support systems that were being enabled by social media to facilitate social and economic leverage to Nigerians. In hindsight, I must have written the article in a hurry. I failed to factor in a future, and a near future for that matter, where the individual would find it impossible to support himself, how much less, other people.

In the past, people gathered at pubs to, as they say, “unwind” and generally let their hair down. Discussions that take place in these places are therapeutic; folks share their burdens and go home lighter. But the cost of beer and associated accompaniments have hit the roof. People can no longer host the sort of gregarious fellowships that made pubs as important as they used to be. Before a person decides to go out with friends for a few drinks, he or she must have calibrated his scale of preference several times to be sure that primary needs such as bread for children’s breakfast the next morning wouldn’t be affected.

Can we ignore the matter of supply chain disruption? Look, the wheel on which every economy rotates is the logistics industry. Any economy where goods and services, and of course, people, cannot move is doldrums.

Agreed there was a time Nigerians moved around for fun. It was what made us a unique people. We, especially those of us from the east, travel back home for the smallest of excuses; funerals, weddings, community meetings, land disputes, August Meetings, Christmas, Easter, and new yam festivals; we enjoyed every bit of it. But I am not sure many people can still afford such these days. What we consider important aspects of our social threads are being forced by tough times into luxuries.

Even if we have to do away with some of these and can afford to live well without them, what about commerce? How do we ensure that goods and services continue to be distributed around the country without the inhibitive and prohibitive costs associated with logistics standing in the way?

If the farmer in Benue cannot afford the cost of transporting his produce to markets such as Lagos and Abuja, the implication on his business is better imagined. If somehow, he finds the money to move his wares and consumers cannot afford the astronomical cost as imposed by the cost of transportation, this also worsens what is described as relief road unemployment in an article I published here in September.

The point I am making is that the drop in fuel consumption is not reflective of any increase in discipline on the part of Nigerians. On the contrary, it is indicative of an economy that is dangerously wheeling backwards and down a steep slope.

Our overall national energy level has been dropping, and this is preposterous. The government in Nigeria is ruling over a people who have lost belief in the future. There are sparse reasons for investing in a future by a set of people who do not see their destination as that distant. This means that hard work is discouraged and investment is a distant option.

The current uncertainties are so dire that people are unable to plan. This is the inspiration behind the mass exodus of Nigerians from Nigeria. Many have tried to rationalise the “Japa” phenomenon as a manpower export, but I am not sure I agree. You only export when you have a surplus, and I am one of those who believe Nigeria has a surplus of anything as a nation.

Nigeria has become a prison of sorts and those escaping are doing so because there appears to be no option and only the brave and those who have “great men of God” behind them find the escape routes. That is why the comedy of Odumeje sees more people believing in him than the government. That is why the antics of Prophet Jeremiah Omoto Fufeyin have drawn people who would rather spend money buying his miracle keys, Bathsheba water and other strange things he sells than paying taxes to the government.

The Nigerian economy appears completely crippled and there is nowhere to find the hard evidence as in the transportation and logistics sector. If people cannot move around because the cost of movement is not within reach, there is serious danger. There are thousands of people suffocating in this sector and this should be a source of worry to all thinking leaders of this country.

We need to reflect on the point in our journey where we took the wrong turn to enable us to decide if we should retrace our steps or continue blindly down the present dark alley to nowhere.

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