NEWS

Tariff hike: Telcos seek stability

THE SUSTAINABILITY OF NIGERIA'S telecommunications sector has taken center stage, with indications that a long-debated tariff adjustment may finally gain traction.

Bosun Tijani, the minister of communications, innovation, and...

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FINANCE & INVESTMENT

FDI key to 5% inflation

INVESTING BEYOND borders is a core pillar of foreign direct investment (FDI), which involves buying a controlling stake in assets such as businesses, real estate, or productive resources in a foreign country, granting the investor direct influence over these assets...

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COMMENT

Naira needs demand boost

A NATIONAL CURRENCY IS ONE of the things that make a country sovereign. It should be the pride of a nation, its strength, its purchasing power; and, therefore, guarded with all at its disposal. The acceptability of its legal tender (national currency) is important and...

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Nigeria's Financial & Business Newspaper
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business a.m.
TOWARDS MORE EFFICIENT MARKETS

Turnover in fixed income market soars on high yields as investors inject N59trn in November

BAMIDELE FAMOOFO

INVESTMENT IN the fixed income and currency market maintained a bullish run in 2024 with transactions in the twilight of the year (November) recording a 111.8 per cent growth year on year (N31.16trn) higher than the turnover in November 2023.

On month on month basis, investments in the secondary market of the FIC market remained favourable with a 43.18 per cent increase, representing N17.80 trillion above the turnover recorded in October 2023.

Data gleaned from the FMDQ Exchange platform showed that Foreign Exchange (FX) and Money Market (MM) transactions dominated secondary market activity, jointly accounting for 69.59 per cent of the total secondary market turnover in November 2024.

Soaring inflation and several other economic headwinds affecting businesses have negatively impacted economic performance recently in Africa's most populous nation. Consequently, investors are seeking the relative safety of fixed-income securities, which offer more predictable returns.

Fixed-income instruments such as government bonds, corporate bonds, and treasury bills have become attractive alternatives. Government bonds, for instance, offer higher yields due to the increased Monetary Policy Rate. These options have provided a haven for investors against the backdrop of rising inflation and volatile equity markets.

Nigeria's base lending rate also known as the Monetary Policy Rate (MPR) stands at 27.5 per cent while headline inflation as of November is 34.6 per cent.

This surge in trading volume in fixed income instruments came as the Nigerian naira continued its downward trend against the US dollar, with the spot exchange rate averaging N1,667.41/$, reflecting a 2.14 per cent depreciation from the previous month's rate of N1,631.71/$.

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Nigeria on track for economic growth resurgence in 2025, say analysts

- 2025 will bring about FX stability- Ebo
- FDC predicts Nigeria's currency will begin to claw its way back from 2025

ONOME AMUGE

WITH 2025 UPON US, NIGERIA finds itself confronting an economic juncture riddled with obstacles such as soaring inflation, a volatile currency, inadequate infrastructure, and an array of policy somersaults.

As 2024 drew to a close, many Nigerians found themselves battered by the harsh economic realities of the year. This is as the country's inflation rate continued its relentless climb, culminating in a near 30-year high of 34.6 per cent in the closing moments of the year. This figure, a significant increase from 33.9 per cent in the previous month and 29.90 per cent at the start of 2024 adds to the list of economic struggles faced by businesses and

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L-R: Favour Chika Okafor; Ifedola Senasu Gabriel Okupevi, bishop of Lagos Anglican Communion; Modupe Okupevi, his wife; Babajide Sanwo-Olu, governor, Lagos State; and Ibijoke Sanwo-Olu, first lady, Lagos State, during the Christmas Service held at Cathedral Church of Christ Marina Lagos, recently..

TRAVELLER & HOSPITALITY

Nigeria plans more airline sanctions

CONCERNED BY WHAT IS NOW generally seen as unjustifiable flight delays and cancellations across airports in the country, Nigerian aviation authorities say they plan more sanctions against airlines who incessantly...

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TECHNOLOGY & INNOVATION

Nigeria boosts tech ahead 2025

IN 2024, NIGERIA'S TECHNOLOGY sector has witnessed notable progress, fueled by government-led initiatives aimed...

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COMMODITIES & AGRICULTURE

N826.5bn agric. funding deficit

PRESIDENT BOLA TINUBU recently proposed a budget of N47.965 trillion for 2025, tagged, "Budget of Restoration: Securing Peace, Rebuilding Prosperity...

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PROJECT SYNDICATE

A New Deal for Developing Countries

NAIROBI – The recent, record-breaking $100 billion replenishment of the World Bank's International Development Association (IDA) is a significant milestone. While the final tally fell short of the $120 billion that I and other African leaders called for in April at the IDA21 Replenishment Summit in...

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EXECUTIVE KNOWLEDGE SERIES

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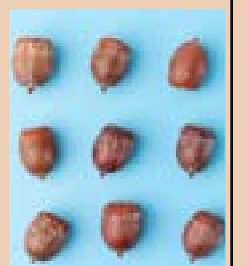

WHY WE NEED TO embrace new approaches to research, teaching and learning.

The year 2023 was named the hottest on record, and 2024 is on track to be even warmer. We are already feeling the impact of the climate emergency, but the problem runs deeper. Climate change is just one symptom of...

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Nigeria on track...

Page 1

individuals alike.

As inflationary pressures continued to mount in 2024, the Central Bank of Nigeria (CBN) took yet another hawkish stance in its last meeting of the year, raising the Monetary Policy Rate (MPR) to 27.5 per cent from 27.25 per cent in an attempt to curb the surging prices. However, the rising cost of goods and services proved resistant to these measures, remaining stubbornly high throughout the year.

However, while the CBN's actions had little effect on inflation, the foreign exchange markets witnessed a notable achievement as the Nigerian Naira was unified. However, efforts to strengthen the currency against the backdrop of inflationary pressures and a weak economy proved elusive.

Despite the overall economic hardships that plagued Nigeria in 2024, there was a bright spot in the third quarter, with the country's economy registering a 3.46 per cent year-on-year growth, higher than in the preceding two quarters. While this growth was encouraging, it did not erase the fact that the services sector continued to be the primary driver of the economy, with other sectors producing mixed results, as highlighted by analysts.

However, amidst these hurdles, opportunities abound for investors, according to economic analysts who recently analysed the key factor shaping the 2025 investment outlook in Nigeria.

Ayodeji Ebo, managing director and Chief Business Officer of Optimus by Afrinvest, identified foreign exchange (FX) policy as a crucial macroeconomic factor that would shape the investment landscape in Nigeria in 2025.

According to Ebo, ensuring adequate liquidity and stability in the FX market would be pivotal to attracting and sustaining investment in the country.

He noted that the unpredictability of FX policy, coupled with the relative scarcity of hard currency, had been a major deterrent for both local and foreign investors in recent times.

Ebo highlighted that many publicly traded companies, particularly within the manufacturing and telecommunications sectors, suffered significant foreign exchange losses in 2024 due to the mismatch between the high demand for foreign currencies and the scarcity in the market. This ultimately resulted in adverse impacts on their costs, and ultimately, their bottom line.

Despite these challenges, Ebo expressed optimism that 2025 will bring about FX stability, which he expects will reverse the negative impact of FX losses on the affected companies. This stability, he believes, will pave the way for these companies to perform well in 2025, presenting lucrative investment opportunities to savvy investors.

In his analysis, the Optimus by Afrinvest MD projected that 2025 would bring about an improvement in policy stability, which he believes would have a positive impact on investors' confidence and, subsequently, the broader economy.

Ebo, an experienced business and investment strategist noted that the frequent changes in policies in 2024 sent negative signals to investors and that the country should focus on maintaining a consistent and predictable policy environment. He also emphasised that if Nigeria's FX policy remains stable, there will be a more favourable investment climate that will attract Foreign Portfolio Investors (FPIs), thereby driving up asset prices in the short to medium term.

Gov Abba Yusuf of Kano State distributing Laptops to representatives of Kumbotso Local Government Health workers to improve health information data storage at Kumbotso Primary Healthcare Centre, recently.

Ebo further dwelled on the need for investors to consider factors beyond the current government when making investment decisions, particularly in light of the limitations of the proposed budget and its potential impact on the overall economy.

He noted that the government's budget performance in 2024 had left a significant gap in capital expenditure. This shortfall, he warned, could hinder the investment climate if not addressed.

Ebo reflected on the lessons learned in 2024 amidst various macroeconomic headwinds, including high inflation and rising interest rates globally, while also considering the apparent resilience of risk assets such as equities and cryptocurrencies.

He observed that while central banks globally had tightened their monetary policies to curb inflation, several key stock indices in the US, like the Dow Jones and the S&P 500, had hit new highs, while risk assets like Bitcoin had also performed strongly.

Ebo confirmed that there was an increasing trend of investors adopting digital trading platforms, especially among younger investors, due to the ease of use, transparency, and convenience of trading on apps. He cited the growth in sign-ups on the Optimus app and investor app as evidence of this trend.

He also noted that younger investors are becoming more tech-savvy, and knowledgeable about technical analysis, and are increasingly applying their knowledge of cryptocurrency and FX trading to the stock market.

"So, we think that that will continue to improve. We feel the regulators also are providing that support and encouragement to us. What I think we need to add on top of that next year (2025) is providing data and investor education.

"When you look at the percentage, less than one per cent of the economy invests in the stock market. So there's still a lot of opportunities in that space. But to understand the stock you are investing in Nigerian markets, you pay a lot to even assess that data. There's a lot that needs to be done for us in terms of data provision to attract more people. But I can say that very clearly that it's been very positive. The adoption has been very encouraging," he added.

Ebo noted that volatility presents both risks and opportunities, and investors must remain vigilant and strategically adapt to the changing market conditions. He further advised investors to carefully time their entry and exit strategies to maximise gains, particularly when dealing with short-term investments. He also suggested that investors should consider maintaining a balanced portfolio, with both long-term and short-term investments, to mitigate risks and take advantage of potential opportunities.

Ebo stressed the importance of maintaining a long-term investment strategy, even during volatile market conditions. He highlighted the benefits of averaging down on long-term investments, allowing investors to buy more stocks at lower prices, potentially increasing their overall gains when the market recovers.

For short-term investments, Ebo stressed the need for investors to take profits when their investments reach significant gains. He noted that smart investors are constantly seeking out new opportunities and are not afraid to sell when the time is right.

Analysts at Financial Derivatives Company (FDC) Limited have also projected an optimistic outlook for Nigeria's economy in 2025, forecasting a recovery in the value of the Naira and a robust growth rate in GDP.

After a turbulent year in 2024, FDC predicts that Nigeria's currency will begin to claw its way back, reaching N1,550 against the US dollar by the end of 2025.

FDC predicts that as economic indicators begin to improve, the Naira, which currently trades at approximately N1,650 per dollar, will gain strength.

The firm also noted that, despite the currency's current undervaluation, as reflected in the Purchasing Power Parity (PPP) value of N1,532 per dollar, the Naira could bounce back as economic conditions improve.

However, FDC warned that this expected Naira rebound could be counterbalanced by a potential decrease in non-oil foreign exchange inflows, such as remittances and Foreign Portfolio Investments (FPI).

FDC's projections are based on several key economic assumptions that have been identified as critical to the recovery of Nigeria's economy. These assumptions include a crude oil price of USD 70 per barrel, daily oil production of 1.4 million barrels (mbpd), gradual implementation of policy reforms, and modest inflows of foreign direct investment.

Despite acknowledging that 2025 may present its own set of challenges, Bismarck Rewane, head of the FDC Think Tank, and his team remain confident that the country's economy will improve relative to 2024.

According to FDC analysts, disinflation, which is the slowing down of the rate of price increases, is projected to start in the second quarter of 2025. This, coupled with expected reductions in interest rates and improvements in exchange rate stability, is anticipated to boost business and consumer confidence in Nigeria.

Muda Yusuf, the chief executive of the Center for the Promotion of Private Enterprises (CPPE), also lent his voice to the chorus of economic optimism. In his assessment of Nigeria's economic prospects for 2025, he said that he expects the economy to perform better than it did in 2024.

"One of the biggest problems we have in the current year has been foreign exchange. But over the last few months, we have seen some stability and some periodic intervention by the CBN. Hopefully, that will be sustained in the new year because our reserves have also improved. So, the forex outlook, which is very central to the problems that we have is looking a bit positive.

Yusuf pointed out the potential impact of the Dangote Refinery, which is expected to produce refined petroleum products locally and reduce the need for forex-dependent imports of those products. He also highlighted the role of IMTOs and Diaspora remittances in bringing in much-needed foreign currency, as well as the positive impact of the country's 2 billion Euro bond, which is expected to strengthen its reserves once it is fully received.

The CPPE chief further highlighted the success of a $500 million domestic dollar bond, which was oversubscribed, demonstrating strong investor confidence in Nigeria's economic prospects. He also noted the positive trend in oil production, which is expected to contribute to the country's economic stability.

When taken together, Yusuf argued that these factors suggest a more positive outlook for Nigeria's economy, especially in terms of its foreign exchange reserves. And, given that a strong forex market is often seen as a key indicator of economic health, he concluded that the country's overall economic picture was looking up as well.

On a cautionary note, he stated: "The issue we need to worry about is how to manage our fiscal space in a way that it will not create macroeconomic issues for us in 2025. I'm talking about how we can manage our spending, reduce our deficit and reduce our debt exposure – that is borrowing either domestically or foreign. These are the potential risks for the macro economy in 2025."

Despite the positive outlook for certain economic indicators, Yusuf admitted that longstanding challenges, like insecurity and power sector issues, remain pressing concerns. According to him, these challenges, which have been ongoing for a considerable period, are unlikely to be resolved quickly, meaning the country may continue to experience them in 2025.

NDDC, controversial gov't quango operated without budgets for 3-yrs

- approached financial institutions to raise N1trn to fund 2024 budget

Ben Eguzozie

THE NIGER DELTA DEVELOPMENT COMMISSION (NDDC), the scandalous quango established by the Nigerian federal government in October 2000, hardly different from its previous character of opacity, phantom projects and phoney contract payments, recently showed that it is difficult to wean it of controversy. Information gleaned from a statement by its managing director Samuel Ogbuku showed that the commission has operated for three years without a budget. The question quickly comes to mind: how has it run its activities for 36 months (2021 to 2023) without a single spending plan?

"The last budget of this commission was in 2020, and I believe this is the only agency operating without a budget for this long period". This was contained in a statement made by the MD, Ogbuku, while speaking on the next phase of projects' commissioning by the commission, slated to begin in February 2025.

While speaking in Port Harcourt, the MD informed that some of the projects to be inaugurated include: multi-purpose emergency shelters in Bayelsa, Delta, and Rivers states that would provide relief to Internally Displaced Persons (IDPs), in the event of flooding in the Niger Delta region. He said earlier on between 18 to 28 May 2024, the commission inaugurated five major development projects across the oil region, which included 27.5km Ogbia -Nembe Road, constructed in partnership with Shell Petroleum Development Company (SPDC), connecting 14 communities in Bayelsa State. Other projects were 6km Iko-Atabrikang-Akata-Opulom-Ikot Inwang-Okoroutip-Iwochang Road and 600m Ibeno Bridge in Ibeno Local Government Area of Akwa Ibom State, the 9km Obehie-Oke-Ikpe Road in Ukwa West LGA of Abia State, the 45-km double-circuit 33KV feeder line from Omotosho Power Station to Okitipupa in Ondo State, the 1×15MVA 33/11KV electricity injection substation in Amufi, Ikpoba-Okha Local Government Area in Benin City, Edo State.

From left: Wife of Ekiti State Governor, Mrs Olayemi Oyebanji; Gov Biodun Oyebanji of Ekiti and the General Overseer, The Redeemed Christian Church of God, Pastor Enoch Adeboye during a One-Day crusade with the theme "Light up Ilogbo" held at Ilogbo-Ekiti, recently.

As it stands, the commission's 2024 budget of N1.9 trillion, the first since 2020, was only signed into law by President Bola Tinubu in October 2024. In addition, the President asked the commission's governing board to approach financial institutions to raise N1 trillion in the 2024 budget to complete its "legacy projects."

Till date, it is unclear how much the commission owes its contractors. For instance, in 2019, it was said to be owing some N3 trillion to contractors. Later, a committee came out to declare that it owed "phantom contractors, with a then serving senator handed 300 contracts. Also, the committee said 120 of the contracts were actually fully paid. Though it did not say if the projects were executed.

Some economists and development experts said they were doubtful of NDDC's credibility to run the corporate governance lane required to obtain funds from the financial institutions let alone the capital market.

"The financial markets require openness. Your books and records must be laid bare for creditors to see. But I fear that the NDDC is rather an opaque entity. Creditors would hardly entrust their funds with a quango that is shrouded in huge controversy," one ICEN member told our correspondent.

By far, NDDC, in a quarter-of-a-century of its existence, has operated with mainly shoddy projects, unclear contracts, and bogus payments for spurious jobs. Many economists at the South-South chapter of the Institute of Chartered Economists of Nigeria (ICEN) said the commission, established with a mandate "to make a difference" in the oil region of the Niger Delta, "reeks of financial haemorrhage."

"The NDDC has serially been labelled with wasting huge public funds on frivolous projects, including acting as a pipeline for siphoning funds to fund the political campaigns of the party in power. Some years ago, it was the PDP. Since 2015, it has been APC, rather than living up to its established mandate of determined to make a difference in the Niger Delta," said Friday Udoh, former president of ICEN in the South-South geopolitical zone.

However, Ogbuku the NDDC chief executive, said the issue of budgeting for the commission "have been achieved in collaboration with the Presidency, the National Assembly and other regional stakeholders." He said the commission was engaging all stakeholders to achieve harmony and cooperation in the task of developing a hitherto neglected Niger Delta region. "It is a synergy and combined efforts from all the stakeholders who believe the time has come when there should be stability in the NDDC and that stability is a challenge to us to ensure that we deliver development to the people of the Niger Delta region."

Turnover in fixed...

Continued from Page 1

The naira traded within a range of N1, 639.50/$ to N1, 690.37/$ during the month, highlighting the ongoing pressures faced by the currency in the foreign exchange market.

According to the FMDQ Exchange Financial Markets monthly report for November 2024, the federal government has raised about N18 trillion from bonds and Treasury bills.

The report showed that fixed income market turnover in November 2024 was N17.95 trillion, representing a MoM increase of 79.47 per cent (N7.95trn) from the turnover recorded in October 2024 (N10.00trn).

The MoM increase in turnover was driven by the increase in T.bills, Other Bonds, OMO Bills, and FGN Bonds transactions during the review period. In November 2024, the trading intensity (TI) for T.bills and FGN Bonds increased MoM by 0.13bps and 0.01bps to 0.38 and to 0.08 T.bills with term-to-maturity (TTM) between >6M – 12M and FGN Bonds with TTM between >5Y – 10Y were the most traded sovereign FI securities, accounting for 39.22% (N2.72trn) and 17.19% (N1.19trn) of the secondary market turnover for sovereign FI securities in the spot market, respectively.

The sovereign yield curve experienced a 4.49ppts MoM decrease in yield spread 1 to -8.58ppts in November 2024, depicting a bearish flattening of the yield curve.

In November 2024, one (1)-year real (inflation-adjusted) yields in Nigeria and Turkey were negative at (-11.08%) and (-5.68%), respectively compared to selected emerging markets.

The DMO sold T-bills valued at N693.05 billion across its auctions in November 2024, representing a 51.79 per cent (N236.48bn) MoM increase in the value of T-bills sold across its auctions in October 2024 (N456.57bn).

The DMO sold FGN Bonds worth N346.16 billion in November 2024. This represents a 19.53 per cent (N56.56bn) MoM increase on the amount sold in October 2024 (N289.60bn).

Sovereign securities offered by the DMO in its FGN Bond and T-bills auctions were oversubscribed by 207.99 per cent and 92.73 per cent, respectively, during the review period.

In November 2024, the CBN sold OMO Bills worth N905.23 billion, representing a 23.81 per cent (N174.09bn) uptick on the amount sold in October 2024 (N731.14bn).

Primary Market (Non-Sovereign Securities)

In November 2024, there were no new listings or redemptions of Non-Sovereign Bonds on the FMDQ Exchange, leaving the total value of Non-Sovereign Bonds outstanding at about N2.24 trillion.

The total value of CPs quoted on the FMDQ Exchange in November 2024 was N77.50 billion, representing a MoM increase of 153.44 per cent (N46.92bn) in the value of CPs quoted in October 2024 (N30.58bn). In November 2024, quoted CPs were issued by institutions from the Financial Services (8), Agriculture (4), Manufacturing (3), Health & Pharma (2), and Real Estate (2) sectors.

The outstanding value of CPs declined by 7.02 per cent MoM (N39.71bn), settling at N525.57 billion in November 2024. This decrease was primarily driven by the maturity of N117.21 billion worth of CPs during the review period.

Spot Market

Total spot market turnover for all products traded in the secondary market in October 2024 was N58.22 trillion, representing a MoM increase of 58.42 per cent (N21.47trn) from October 2024 figures.

The MoM increase in total spot market turnover was driven by the increase across the FX, MM, and FI turnover by 46.39 per cent (N7.59trn), 57.11 per cent (N5.93trn), and 79.47 per cent (N7.95trn), respectively.

The increase in MM turnover was driven solely by the MoM increase in the Repos/Buy-backs product category. The increase in FI turnover was driven by the MoM increase across the T.bills, OMO Bills, Other Bonds, and FGN Bonds product categories, whilst CBN Special Bills remained inactive.

Spot FX Market

Spot FX market turnover was $14.39 billion (N23.95trn) in November 2024, representing a 42.69 per cent ($4.30bn) MoM increase from the turnover recorded in October 2024 ($10.08bn). In the FX Market, the Naira depreciated against the US Dollar, with the spot exchange rate ($/N) increasing by 2.14 per cent ($/N35.70) to close at an average of $/N1,667.41 in November 2024 from $/N 1,631.71 recorded in October 2024. Further, exchange rate volatility decreased in November 2024, with the Naira trading within a narrower exchange rate range of $/N1,639.50 – $/N1,690.37 compared to $/N1,552.92 – $/N1,675.49 recorded in October 2024.

Total turnover in the MM segment increased MoM by 57.11 per cent (N5.93trn) to N16.32 trillion in November 2024. The MoM increase was driven by the 57.51 per cent (N5.96trn) increase in Repos/Buy-backs. The average O/N rate and OPR rate (secured lending rate) decreased MoM by 0.98ppts and 1.16ppts, respectively, to close at an average of 30.02% and 29.43 per cent in November 2024.

Derivatives Market

Total turnover in the FX derivatives segment in November 2024 was $0.49bn (N0.81trn), representing a MoM decrease of 82.41% ($2.27bn) from October 2024 figures ($2.76bn). The MoM decrease in the FX derivatives turnover was driven by the 85.52 per cent ($2.22bn), and 34.06 per cent ($0.06bn) decline in FX Swaps and FX Forwards transactions, respectively during the review period.

Cleared Naira-Settled Non-Deliverable Forwards

In the Cleared Naira-Settled (USD/NGN) Non-Deliverable Forwards market, the near month contract (NGUS NOV 27, 2024) expired and open positions with a total notional value (NV) of $0.02bn were settled. No new month (60M) contract2 was introduced in the Cleared Naira- Settled Non-Deliverable Forwards market in the review period, continuing the trend since August 2023. Consequently, the TTM of the farthest open contract is forty-five (45) months (i.e., NGUS AUG 30, 2028 contract). As a result, the cumulative NV of open Cleared Naira-Settled Non- Non-Deliverable Forwards contracts decreased slightly to $0.09bn as of November 29, 2024, representing a MoM and YoY decrease of 14.86% ($0.02bn) and 97.51% ($3.46bn), respectively.

The average modelled rates for the 13M-33M Naira-Settled Exchange-Traded FX Futures contracts in November 2024 were higher than those for October 2024 across all tenors. The indicative rates for short-term (i.e., ≤12M) Non-Deliverable FX Forwards contracts in November 2024 were higher than indicative rates for October 2024 across all tenors, excluding the 3M tenor which appreciated in November 2024.

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Africa's Global Bank

China-Nigeria N3.28trn currency deal renewal to enhance economic ties

Onome Amuge

NIGERIA AND CHINA HAVE renewed their bilateral currency swap agreement, reinforcing the growing economic and financial partnership between the two countries.

The Central Bank of Nigeria (CBN) and the People's Bank of China (PBOC) confirmed the renewal of their bilateral currency swap agreement, amounting to approximately 3.28 trillion Nigerian naira (15 billion yuan or 2.09 billion U.S. dollars).

The renewed agreement showcases the ongoing cooperation between Nigeria and China, as they work towards strengthening financial and economic relations.

According to reports, the bilateral currency swap agreement between both countries has been renewed for a period of three years, with the possibility of further extension subject to the consent of the two central banks.

The development is considered a reflection of the positive impact the agreement has had on both countries since its initial implementation in 2019, as it facilitates smoother and more efficient transactions involving the Nigerian naira and the Chinese yuan.

By continuing this arrangement, both countries aim to expand the use of their respective currencies in international trade, lessening their reliance on third-party currencies like the U.S. dollar and fostering greater economic independence.

From left: Deputy Governor of Gombe State, Manassah Jatau; Gov Inuwa Yahaya of Gombe State and Speaker, Gombe State House of Assembly, Mohammed Luggerrewo during the signing 2025 Gombe State Appropriation Bill in Gombe, recently.

A statement released by the People's Bank of China acknowledged that the renewal of the bilateral currency swap agreement with Nigeria is seen as a major step forward in enhancing bilateral trade and investment between the two countries.

The renewed arrangement is expected to facilitate more seamless access to local currencies for businesses in Nigeria and China, leading to reduced transaction costs and improved efficiency in trade processes. This development is in line with the broader objective of bolstering economic cooperation between the Asian powerhouse and Africa's most populous country.

Beyond fostering trade and investment, the renewal of the currency swap agreement is a strategic initiative that aims to bolster the internationalization of the Chinese yuan and enhance the stability of the Nigerian naira in global financial markets.

The collaboration is indicative of a broader trend toward exploring alternative methods for trade settlement, which ultimately promotes a more inclusive and diversified global financial system.

Kashim Shettima, the vice-president of Nigeria, recently expressed his satisfaction with the continuous growth of trade volumes between Nigeria and China, which he described as one of the highest trade volumes in Africa.

In light of this, he emphasised the need for a continuous strengthening of relations between the two countries, highlighting that Nigeria and China have maintained a relationship of mutual respect and honour.

Shettima reiterated the importance of the bilateral relationship between the two countries and underscored the need for continued collaboration when he played host to a delegation from China led by Zhang Qingwei, the vice-chairman of the standing committee of the National People's Congress,recently.

Shettima expressed his contentment with the volume of trade between Nigeria and China, noting that the trade relations between the two countries had grown to $22.6 billion in 2023, an impressive figure that ranked as one of the highest in Africa, if not the highest.

Shettima further commented on the remarkable pace at which the trade relationship was growing, stating that it had been increasing at an impressive rate of 33 percent every year.

World Bank waives loan fees to support vulnerable nations

Predicts commodity price decline by 2026

Onome Amuge

THE WORLD BANK HAS taken steps to alleviate financial strain for low-income and vulnerable countries by eliminating several loan fees, it announced recently. The decision comes alongside projections of a 10 percent drop in global commodity prices over the next three years, through 2026.

The World Bank Group, made public its decision to abolish certain loan fees for its International Bank for Reconstruction and Development (IBRD) loans through its X platform.

The measures, it stated, include eliminating the prepayment premium on IBRD loans, granting a grace period for commitment fees on undisbursed balances, and extending low-cost pricing for small, vulnerable states.

The IBRD is part of the World Bank Group, which is one of the primary arms providing financial support to developing countries worldwide.

The World Bank explained that the fee-related reforms are designed to ease financial pressure on countries in need of development financing. It identified this step as part of its broader strategy to increase its lending capacity by $150 billion over the next 10 years.

The World Bank has also disclosed that the reforms include

adjustments to IBRD's equity-to-loans ratio from 20% to 18%, thereby unlocking $70 billion in additional lending. This will be supplemented by $10 billion from bilateral guarantees and $5 billion from the Asian Infrastructure Investment Bank.

In a related development, the World Bank has also projected that global commodity prices, although higher than pre-pandemic levels, are set to decline by nearly 10 percent between 2024 and 2026.

According to the report, food-price inflation in developing countries will remain double that of advanced economies, indicating that the fall in commodity prices will not provide significant relief for those struggling to afford essential food items.

In its report, titled "2024 Key Development Challenges in Nine Charts: How the World Is Off-Track to Reduce Poverty," the World Bank noted that, after a series of consecutive shocks over the past few years, the global economy appears to be stabilising. It further observed that despite dire predictions, the world managed to stave off a global recession in 2024.

"However, while advanced economies have largely recovered, developing countries have yet to catch up. Low-income countries risk being left even further behind.

"The world faces a harsh reality: despite decades of progress, ending extreme poverty everywhere by 2030 is out of reach. Amid anemic economic growth, the lasting effects of the COVID-19 pandemic, crushing debt burdens, and rising fragility and conflict, the pace of reducing global poverty has effectively stalled.

"Devastating climate shocks and extreme weather threaten to slow or reverse progress even more.

"As we close out the year, here are some of the most pressing development issues countries faced in 2024 and how the World Bank Group is working with them to overcome these challenges," the Bretton Woods institution pointed out.

The World Bank report also indicated that 1.2 billion people worldwide are at risk of life-changing disasters caused by climate-related hazards, such as floods, heatwaves, droughts, or cyclones.

The report revealed that many of these people reside in IDA (International Development Association) countries, where nearly half of the population is vulnerable to climate-related risks.

The World Bank's 2024 report predicts that global growth will remain relatively stable at 2.6 percent in 2024 before experiencing a slight increase to 2.7 percent in 2025 and 2026. Despite this optimistic outlook, the projected growth remains lower than the pre-pandemic average of 3.1 percent.

FPI: Strong market dynamics spur inflows into equities to historic N4.91trn heights since 2007

Bamidele Famoofo

THE LATEST data on trading activity from the Nigerian Exchange Limited (NGX), reveals a remarkable surge in both foreign and domestic transactions throughout 2024.

By the end of November, the total transaction value had reached an impressive N4.91 trillion, reflecting a significant 51.92 per cent year-on-year increase from N3.23 trillion recorded in November 2023. Notably, this marks a new historic peak, surpassing the previous high of N3.97 trillion recorded in 2007.

The growth in transaction volume can be attributed to the increasing appeal of Nigerian equities, which have garnered strong interest from investors despite the positive performance of fixed-income and money markets. This development comes against the backdrop of the Central Bank of Nigeria's (CBN) tightened monetary policy, which saw interest rates rise by over 800 basis points in 2024. Even with these headwinds, the local equities market has continued to demonstrate resilience and attract sustained investor confidence.

Of the N4.91 trillion recorded so far, domestic investors have maintained their dominance, accounting for more than 84 per cent of total transactions, equivalent to N4.13 trillion. Foreign investors, meanwhile, contributed N785.3 billion, representing 16 per cent of the total.

This trend underscores the steadfast participation of local investors in Nigerian equities, even as other asset classes offer competing opportunities. However, it's worth noting that foreign investor participation has remained below 25 per cent since the pandemic. Factors such as market risks and capital control measures implemented by the CBN have played a role in limiting foreign inflows into the market.

Monthly, the local bourse recorded N442.3 billion in transactions during November 2024. Domestic investors led the way with N401.4 billion, while foreign investors contributed N40.94 billion. This monthly figure, though lower than October's N502.7 billion by 12.01 per cent, represents a robust 47.12 per cent year-on-year growth from the N300.7 billion recorded in November 2023. The continued strength of domestic participation highlights the enduring confidence of local investors in the market.

A deeper comparison of trading activity between November and October 2024 reveals a slight cooling off as the year-end approaches. Domestic transactions dipped by 11.83 per cent, moving from N455.27 billion in October to N401.40 billion in November. Similarly, foreign transactions declined by 13.74 per cent, falling from N47.46 billion (approximately $28.33 million) to N40.94 billion (approximately $24.61 million).

Further insights from the NGX report reveal a slight edge for institutional investors over retail participants, with institutional transactions accounting for 2 per cent more activity. Interestingly, retail investors increased their participation by 14.90 per cent, with their transactions rising from N170.04 billion in October 2024 to N195.38 billion in November 2024. Conversely, institutional investor activity saw a decline, dropping by 27.77 per cent from N285.23 billion in October to N206.02 billion in November.

Rising costs drive potential telecom tariff hike as sector seeks stability

Joy Agwunobi

THE SUSTAINABILITY OF NIGERIA'S telecommunications sector has taken center stage, with indications that a long-debated tariff adjustment may finally gain traction.

Bosun Tijani, the minister of communications, innovation, and digital economy, recently hinted at the need for a marginal tariff increase, citing economic pressures and the imperative to keep the industry afloat.

"We have conducted a study on the sustainability of the telecoms sector, and the results, expected in two weeks, will guide the steps needed to support operators while improving services for Nigerians," Tijani said during an interview.

He stressed that beyond tariff adjustments, Nigeria must prioritise investments in digital infrastructure to ensure competitiveness and long-term growth.

Tijani's remarks indicate a broader vision for the sector's sustainability. "We think there may be a need for the hike, but much more needs to be done to ensure the sector remains competitive," the minister stated.

Although the Nigerian Communications Commission (NCC) has yet to approve any tariff hikes, the groundwork appears to be laid for a possible revision of rates come 2025. A NCC spokesperson confirmed that any decisions would balance industry demands with the interests of consumers. "This will benefit both subscribers and operators as we've considered feedback from all stakeholders," the spokesperson noted.

L-R: Kunle Adedeji, Acting Chief Executive, Stanbic IBTC Holdings; Caleb Edet-Tremor, Winner (Music category); Esther Okonta, Winner (Fashion category); Olumide Oyetan, Chief Executive, Stanbic IBTC Pension Managers; Grace James, Winner (Tech category); Benedict Emmanuel, Winner (Dance category); Nike Bajomo, Executive Director, Business Development, Stanbic IBTC Pension Managers; and Wole Adeniyi, Chief Executive, Stanbic IBTC Bank, during the Grand Finale of the FUZE Talent Show 3.0, held recently in Lagos.

The push for tariff increases comes on the back of mounting losses within the sector. MTN Nigeria, which manages a subscriber base of nearly 80 million, reported a 514.9 billion loss in the first nine months of 2024, following a 137 billion loss in 2023. Similarly, Airtel Africa disclosed $89 million in losses for FY 2024, largely driven by operational challenges in Nigeria.

Escalating costs, particularly for diesel required to power base transceiver stations, have also severely impacted operations. Karl Toriola, CEO of MTN Nigeria, highlighted the gravity of the situation, stating, "If the tariff doesn't go up, we will shut down."

The financial woes have also prompted the National Association of Telecommunications Subscribers (NATCOMS) to call for a 10 per cent tariff hike to mitigate the crisis. In October of this year, Adeolu Ogunbanjo, NATCOMS president, emphasised the need for improved service quality, warning that without adjustments, the sector's performance would continue to deteriorate.

Ogunbanjo pointed out the urgent need for quality service delivery in a time when platforms like Instagram, X (formerly Twitter), Facebook, and WhatsApp are vital to everyday communication and business operations. He argued that despite operational costs soaring over the past decade, telecom companies have not increased their tariffs during that period.

Ogunbanjo emphasised that without a tariff adjustment, the sector's quality of service will continue to decline, further affecting consumers and businesses alike. "When you look at the quality of service today, it's poor, and telecom companies are also complaining. They have highlighted the rising costs of petrol, diesel, and other resources required to maintain network operations," he explained.

"A marginal increase would suffice to support the sector without excessively burdening subscribers," Ogunbanjo noted. He noted that any tariff adjustment would ultimately need to be approved by the NCC, which acts as the intermediary between Mobile Network Operators (MNOs) and subscribers.

He added that once the NCC approves the increase, telecom operators would be expected to invest in improving services for subscribers, ensuring better quality and reliability.

Despite the mounting pressure, the NCC has been cautious about approving blanket tariff increases. The regulator recently rejected a proposed price hike from Starlink in October 2024, citing concerns over consumer affordability.

The looming tariff revision occurs against a backdrop of rising food inflation, which reached 39.93 per cent in October, and fears of reduced internet penetration in a country striving for digital inclusion. Any decision to increase tariffs is expected to include strict measures to ensure telecom operators reinvest in infrastructure to enhance service quality and reliability.

As the NCC deliberates, stakeholders remain divided on the potential impact of a tariff hike. While operators see it as a lifesaver, consumer advocates fear the move could worsen the financial strain on Nigerians already struggling with inflation.

Nigeria's ambitious 2 million bpd oil production under threat-CBN

Onome Amuge

THE CENTRAL BANK OF NIGERIA (CBN) has expressed concerns over the deteriorated state of the country's oil pipeline infrastructure and operational inefficiencies, identifying these factors as key contributors to the drop in oil revenue during the third quarter of 2024.

As a result of its findings, the CBN is skeptical about the Nigerian National Petroleum Company (NNPC) Limited's target of achieving two million barrels per day (bpd) of oil production, pointing to the suboptimal functioning of the oil industry as the reason for its doubts.

A recent economic report released by the apex bank revealed a sharp decline in oil revenue during the third quarter of the year. This is as oil revenue tumbled 24.72 percent, falling from N1.73 trillion recorded in the second quarter to N1.30 trillion.

The decline was largely attributed to frequent shutdowns of pipelines and installations, resulting from the ailing condition of the nation's oil infrastructure. This situation, the report noted, had a devastating impact on the oil sector, causing it to miss its quarterly target by 75.39 per cent.

Based on its findings, the CBN report emphasised that Nigeria's ambitious target of reaching a daily oil production volume of two million bpd by the end of 2024 is at risk unless swift action is taken to resolve the chronic infrastructure and operational challenges that have been hindering the country's oil sector.

The CBN report further highlighted that despite a modest uptick in crude oil production from 1.27 mbpd to 1.33 mbpd in the third quarter, revenue growth remained stunted due to the persistent issues of oil theft, vandalism, and infrastructure deficiencies.

"Oil revenue fell by 24.72 per cent to N1.30tn, relative to the level in Q2 2024, on account of lower receipts from petroleum profit tax and royalties.

"It was also 75.39 per cent short of the quarterly target due to shut-ins, arising from ageing oil pipelines and installations." The ageing infrastructure not only hindered production efficiency but also impaired Nigeria's ability to meet its OPEC production quota," the report stated.

While the CBN is worried over the obstacles hindering oil revenue growth, the NNPC remained optimistic about achieving its goal of two million bpd production.

Olufemi Soneye, chief Corporate communications officer of NNPC Ltd, emphasised the company's ongoing efforts to boost oil production, having already increased it to 1.8 million barrels per day (bpd).

Sterling One Foundation steps up Beach Adoption programme following COP29 call for Localised action

Onome Amuge

STERLING ONE FOUNDATION has announced the expansion of its Beach Adoption Programme, a climate initiative aimed at curbing marine pollution and promoting waste recovery, in light of renewed calls to action at the recently concluded COP29 conference in Baku, Azerbaijan.

The expansion of the Beach Adoption Programme, which was initially launched in 2021, now includes three additional beaches in Lagos, Nigeria, Debojo Beach, Eleko, Badore Beach, Ajah, and Okun Mopo Beach, Ajah.

The inclusion of these beaches, according to the organisation, reiterates the significance of localised action and public-private partnerships in tackling climate change challenges, as emphasised at the recent COP29 conference.

Since its launch in 2021, the initiative has achieved notable progress, collecting over 7,800 kilogrammes of solid waste and 4,900 kilogrammes of recyclables from beaches like Alpha Beach, Eleko Beach, and Lafiaji Beach.

The programme also includes climate education initiatives, engaging more than 5,000 students across Nigeria to increase awareness about sustainability and waste management practices.

Furthermore, the Beach Adoption Programme has boosted the capacity of local community members to take ownership of their environment, empowering them with the necessary tools and education to become active participants in the circular economy while reducing plastic pollution on Nigerian beaches. It has also provided women and youth in these communities with an alternate source of income.

Following the emphasis placed on community-driven initiatives and nature-based solutions as essential tools for combating climate change during COP29, the Beach Adoption Programm's expansion underscores the importance of local action. The programme, which has received support from several partners, including First E&P, Bonnie Bio, LAWMA, Rite Foods, Sterling Bank, and the African Cleanup Initiative, is increasingly becoming a successful example of public-private collaboration.

To expand the reach and effectiveness of the programme, Sterling One Foundation plans to continue collaborating with various partners, increasing its emphasis on circular economy practices, and contributing to Nigeria's climate goals and global sustainability efforts.

Olapeju Ibekwe, CEO of Sterling One Foundation, described the programme as a significant local response to global environmental challenges. "COP29 reaffirmed the importance of solutions that empower communities while driving sustainability. The Beach Adoption Programme is one of our ways of translating those principles into action.

Tokunbo Wahab, Lagos State commissioner for environment and water resources praised the initiative, stating, "Partnerships like this demonstrate how environmental goals can be achieved through collaboration. By integrating circular economy practices, Sterling One Foundation is creating both environmental and economic value."

Stock taking of the fleeting year, 2024

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

FROM JANUARY TO DECEMBER, an account of all the activities that transpired on various fronts, comprising every known transaction (financial, spiritual, social, political, private and corporate) entered into, including any finished or unfinished business, is expected at a time like this; to be presented and retired into a book of records that captures everything up to the 31st day of December. This is a must task for every system that sincerely desires to make progress in every ongoing sustainable activity in life. The essence of account taking is to soberly reflect on how far the performances within the period under review fared, whether it turned out well or not. Otherwise, consideration is given to alternatively re-strategise the necessary roadmap, pathways, processes; or procedures for improvements into the future, through actions and events are made.

In the governance of all constitutionally established sovereign states, the primary duty of the leadership, the democratically elected public office holders, is the "protection of lives and property". As the year 2024 draws to an end, there are questions expected to be answered by those occupying positions of leadership within the system, especially as it pertains to the economy. This is particularly so because, without sound financial health in everything man does as an individual or done corporately, there is definitely not going to be any meaningful or visible growth and improvement in life's endeavours. Finance invariably funds provision of energy, while the energy consumed (in diverse forms) supports and powers healthy sustainable living. In other words, poverty directly impacts backwardness in every sense of economic outlook for a country; which could relate to an economic model that directly treats some economic challenges like inflation within the economy. The alarming rise in food prices for over 20 years as decried by late Gani Fawehinmi in the 2003 Presidential Debate, is an indication that not much has been done to address this economic challenge on food insecurity (in the agricultural sector).

Good governance, therefore, primarily demands that there should be availability of food for all classes in the society. It is the sole responsibility of a responsible government to make sure that food (one of man's three basic needs) is always available. Any threat against this (such as the purported claims of the replacement of natural seeds by some organisations in the West with Genetically Modified Organic (GMO) foods) should be stiffly resisted. It should be seen as a fight against food insecurity by any sitting government, as part of her primary responsibilities (as sworn in the oath of office), to protect lives and property. The recent unfortunate incidences of stampede recorded in Ibadan, Abuja and Okija where lives were lost as a result of acute hunger in the land are clear manifestations of desperation for food. It is true that the government cannot practically contain such challenges alone, but they need to provide the enabling environment that could support and encourage private investors in that sector (agriculture) of the economy, to effectively equip local farmers to go back to their farmlands by providing adequate security against the bandits that kill, maim, harass, kidnap and rape female farmers in various locations in the country.

The protection expected of the government is holistic, it cannot be partial. In the ensuing year, what is expected of the government is to study how other economies overcome such challenges and apply such a model that suits our domestic environment; for sustainable economic growth and full protection of her citizens at all times. For instance, a country like China has, in the past three decades, recorded steady economic growth at an incredible 10 percent annually in her Gross Domestic Product (GDP). Their unique economic model of evolutionary process is what makes them thick (to the amazement of the entire world). Nigeria should buckle up because there abounds great potentials favourably available to make it, if only the stigma of selfish corrupt tendencies could be curbed among the very public officers saddled with driving her economic growth and development. That the Chinese economy is growing so fast is as a result of some practices selflessly put in place by those in government. A former World Bank director Yukon Huang elucidated on the known facts of the Chinese application of the rule of law, strong institutions and inclusiveness for rapid economic growth. The two exceptional things that differentiated the Chinese economy are the extraordinary competitive economy that competes externally, consistently with her open trade policy, and her internal provincial competitiveness by those provinces supporting economic activities.

Why can't regional competitiveness thrive again in our economy like in the sixties when the three regions were making waves with their respective agricultural produce (the Kano groundnut pyramids, Ibadan cocoa exports and the oil palm business that thrived in the Eastern part of the country)? This is a big question we need to answer by ourselves as we step beyond 2024, into the New Year, 2025.

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The Coaching Psychologist

Building leaders, bridging pain and purpose in 2025

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AS THE CLOCK TICKS TOWARD the dawn of 2025, I find myself reflecting on the intricate dance of pain and purpose that has shaped my journey. It's a partnership, not an adversary — one that demands reverence, understanding, and an unwavering commitment to growth. This final article of 2024 marks both an end and a beginning: the culmination of a year dedicated to mentoring, coaching, and goal-setting, and the launchpad for a year that holds infinite promise.

For 2025, my chosen word is "grandiose." Not in the superficial sense of extravagance, but as a declaration of expansive possibilities — of audacious dreams and monumental impact. If this year is to be extraordinary, it must begin with clarity and intentionality. That is why I am offering my expertise as a coaching psychologist and mentor, fostering greatness in others as we step boldly into the future.

This year also marks a milestone in my career: 25 years of navigating the complex yet rewarding terrain of personal and professional development. It's a moment to celebrate, yes, but also to honour the people who have shaped my path. Chief among them was my late mentor, Dr. Myles Munroe. He instilled in me a profound truth: "Build people, not buildings." Those words have become the bedrock of my philosophy, a guiding principle that informs every decision I make as a leader and a mentor.

Dr. Munroe's influence was transformative, not because of grand gestures but because of his unwavering belief in the power of individual potential. He didn't simply impart wisdom; he cultivated it within me, showing me how to harness my own energy, expertise, and experience to elevate others. Now, as I prepare to commemorate this quarter-century milestone, I feel called to pay that gift forward — to create a ripple effect that empowers others to become the leaders Africa so desperately needs.

Over the next six months, I, alongside 12 to 24 esteemed industry leaders, will embark on a mission to hold the hands of aspiring leaders. This isn't about mere inspiration; it's about transformation. We aim to equip these individuals with the tools to be, do, and have what it takes to lead with vision and purpose. Leadership is not an inherent trait; it is a skill that must be honed, a discipline that requires continuous learning and unlearning.

In a world that is increasingly complex and interconnected, Africa stands at a crossroads. The continent's potential is vast, but unlocking it requires a new breed of leaders — those who can navigate challenges with resilience, innovate with courage, and inspire with authenticity. This is the work that lies ahead. Through mentorship, we will address not just the technical competencies required for leadership but also the emotional and psychological resilience needed to thrive in high-pressure environments.

Mentorship is, at its core, an act of service. It requires vulnerability, humility, and an unwavering commitment to the growth of another. It is not about dictating a path but illuminating possibilities. As coaches and mentors, we must ask ourselves: Are we willing to invest the time, energy, and emotional labour required to truly make a difference? Are we prepared to challenge, to question, and to guide with both compassion and candour?

The answer, for me, is an unequivocal yes. Because I believe in the power of partnerships — not just between mentor and mentee, but between pain and purpose, struggle and success, ambition and achievement. These partnerships are what propel us forward, what transform ordinary moments into extraordinary milestones.

As we step into 2025, I urge you to consider: What partnerships will define your year? What word will anchor your intentions? For me, "grandiose" is not a destination but a mindset. It is a call to think bigger, to dream wider, and to act with a sense of limitless possibility. It is a reminder that greatness is not a solitary pursuit but a collective endeavour.

To those who are hesitant to step into mentorship, I say this: You have more to offer than you realize. Your experiences — both triumphs and trials — are invaluable to someone navigating their own journey. And to those seeking mentorship, know this: The act of reaching out is a testament to your courage and commitment to growth. The right mentor will not only guide you but will also challenge you to become the best version of yourself.

Dr. Myles Munroe often spoke of legacy, not as something we leave behind but as something we build every day. In 2025, my legacy will be shaped by the leaders I empower, the partnerships I nurture, and the impact I create. Together, we will build people, not buildings. We will transform pain into purpose, ambition into action, and dreams into reality.

As the new year unfolds, let us embrace its grandiosity. Let us commit to clarity, to intention, and to the audacity of greatness. And let us remember: The greatest gift we can offer the world is not what we achieve for ourselves but what we inspire others to achieve. Here's to 2025 — a year of partnerships, possibilities, and profound transformation.

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Business, Governance & Enterprise

2024 Revenue Reform Bills and their benefit to Nigeria (1)

OLUFEMI ADEDAMOLA OYEDELE

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Introduction

Nigeria's tax compliance rate is significantly low compared to other countries of the world especially given the weak revenue administration capacity of Nigeria to deal with tax evasion and avoidance, and lack of data mainly around the informal sector, according to a report by PriceWaterhouseCoopers (PwC). Nigeria taxation law is made up of a complex web of disjointed tax laws which leave much to be desired in terms of economy, efficiency and effectiveness both in administration and in achieving the nation's fiscal policy goals. Due to this laxity, President Bola Ahmed Tinubu established the Fiscal Policy and Tax Reforms Committee in August 2023, chaired by tax expert Taiwo Oyedele, to address the pressing need for comprehensive tax reform in Nigeria. The committee terms of reference (TOR) included production of recommendations aimed at overhauling the nation's tax system and achieving fiscal policy goals.

As an aftermath of their recommendations, recently, President Bola Ahmed Tinubu forwarded four tax reform bills to the National Assembly proposing significant changes to the Nigeria tax architecture and environment. The Nigeria Tax Bill (NTB) is a comprehensive piece of legislation that seeks to outline all taxes in the country hitherto administered by different laws and reduce them into a single easy law. Worthy of note is that the NTB vests upon the Nigerian Revenue Service (newly proposed to replace Federal Inland Revenue Services, FIRS) powers to collect all national taxes, including royalties which are collected by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and excise duties, import Value Added Tax (VAT) etc, which are being collected by the Nigeria Custom Service.

The forwarded Tax Bills include: (1) The Nigeria Tax Bill (NTB) 2024; (2) The Nigeria Tax Administration Bill (NTAB); (3) The Nigeria Revenue Service Establishment Bill (JRBEB); and (4) The Joint Revenue Board (Establishment) Bill (JRBEB). The NTB is now fervently being debated in Nigeria. These debates are expected as Nigerians are usually wary when it comes to the issue of taxation. We are used to the old style of administering taxes and we seem to be comfortable with the inefficient method. But change is the only constant phenomenon in life. If we don't change with time, time will leave us behind. The enactment of the NTB will lead to the repeal of 11 laws, while 13 other laws will experience implicating amendments. The NTB will also revoke one subsidiary law with implicating amendments on two other subsidiary laws.

The Nigeria Tax Bill (NTB) in perspective

As an all-inclusive tax legislation, the NTB harmonises all tax laws in the country into a more simplified and manageable single piece of legislation. Section 1 of the NTB provides that the objective of the Act is to provide a unified fiscal legislation governing taxation in Nigeria. What this means is that various taxes, which were previously administered under different tax laws, are by the provisions of the NTB, unified and compressed into one simplified law and administered accordingly. This simplification is intended to ease compliance for businesses and individuals, making it easier for them to understand their tax obligations. In addition, the unification and simplification of our tax laws which the NTB promises is motivated by the need to engender efficiency and effectiveness in tax administration while eradicating conflicts and the multiplicity of tax laws that the current tax regime is plagued with.

The bills intend to (a) curb the challenge involved in tax collection; (b) consolidate various legal frameworks relating to taxation; (c) expand the country's tax base; (d) generate substantial revenue streams for national development; (e) address complexities of the current tax system; and (f) improve tax compliance level.

NTB benefits: Individuals, organisations and states

Benefits to individuals: Contrary to most speculations in different quarters, the NTB adopts a progressive personal income tax system and provides tax relief for low-income earners. Particularly, incomes below eight hundred thousand naira (N800,000.00) are exempted, and higher earners are taxed progressively according to their earnings. It follows, therefore, that the tax burden on low-income earners is reduced, and that the tax burden is generally spread to reflect equity and fairness in wealth distribution. The annual tax rate, as outlined in the bill's Fourth Schedule, is as follows: (a) First N800k – 0%; b. Next N2.2m – 15%; c. Next N9.0m – 18%; d. Next N13m - 21%; e. Next N25m – 23%; and f. Above N50m - 25%.

Before now, the personal income tax rates for different bands of annual income were as follows: a. First N300k – 7%; b. Next N300k – 11%; c. Next N500k – 15%; d. Next N500k - 19%; e. Next N1.6m – 21%; and f. Above N3.2m - 24%.

A glance at the two sets of rates shows that while currently a low-income earner who earns N25,000 monthly, which translates to N300,000 annually, is required to pay 7% income tax, the new rates proposed in the Nigeria Tax Bill exempts individuals who earn N800,000 or less per annum from paying any income tax. Globally, the poor are not taxed. By implication, every worker earning less than minimum wage in Nigeria (N840,000 per annum) would be exempted from personal income tax. In the Nigeria Tax Administration Bill (NTAB), it is now compulsory for financial institutions to report to tax authorities the details of individuals whose monthly cumulative transactions amount to N25 million or more. Also, the bill progressively reformed the capital gains tax regime by exempting some forms of capital gains from taxation and, in other cases, raising the gain limit before charging a capital gains tax. Section 51 of the bill exempts an individual from paying tax on the sale of his residential property or land adjoining his residential property up to one acre.

Continues next week

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Economics & Markets

Nigeria must move to create demand for naira

VICTOR OGIEMWONYI

Victor Ogiemwonyi, a retired investment banker, is a former Governing Council member of the Nigerian Stock Exchange (NSE), now Nigerian Exchange Group (NGX Group). He sent this contribution from Ikoyi, Lagos. He can be reached via comment@businessamlive.com

A NATIONAL CURRENCY IS ONE of the things that make a country sovereign. It should be the pride of a nation, its strength, its purchasing power; and, therefore, guarded with all at its disposal. The acceptability of its legal tender (national currency) is important and has vast economic implications.

In a recent conversation, with my friend and market colleague, Mr Sonnie Babatunde Ayere, he reminded me that the word "current", in any national currency, implies the flow of energy in business activities which is tied to a country's currency. The more the activities in your national currency, the more the demand for it, and therefore, the value. In his view, when the only thing the world really wants to buy from a country is not sold in that country's local currency, then the currency is doomed. The consistent depreciation of the naira, regardless of the levels of reserves and import cover, attests to this. Simple economics dictates that value rises where there is consistent demand. This is something he says he has been canvassing for years on end.

In our discussion, the issue of the value of naira came up. He believes selling our oil in naira was the solution. Why shouldn't a Vitol or Trafigura (oil traders who frequently buy our oil) sell its dollars to our newly created FX Market (EFEM) to buy naira and then use the naira to pay NNPC Limited for our oil? After all, NNPC is now a private Nigerian company and legally should accept naira for its products. The coming on stream of the Dangote Refinery has done Nigeria and Africa great pride. Selling oil to it in naira for refining, is the right thing to do. We should complete the cycle by selling all our oil in naira.

This point, mirrors the position expressed by Mr Femi Falana SAN, a prominent lawyer, who brought this up sometime in 2023. Although his concern at the time was more about the dollarisation of transactions in Nigeria by those who transact here in dollars. Also, earlier this month, a Bill that is now being considered, emerged in the National Assembly, seeking to ban transactions in dollars in Nigeria. I think this law will not be necessary, once we have a market priced naira.

Any time you make a law to ban something this nebulous, implementing it is usually, almost impossible. The effort to monitor and enforce it, will usually take away the oxygen in the idea. The call to have the naira, as the only transaction currency in our economy, is grounded in good economic logic and on its merits, and a move in the right direction, that is deserving of a considered look.

Selling our oil in naira, for instance, will have huge positive implications. These positive implications will help in stabilising the currency. Let those who buy our oil, convert to the naira and pay us in naira.

Let's move from our current approach and fixation with increasing the supply of dollars to our economy and, instead, focus on getting more demand for the naira.

We do not have much to sell in dollars. We are a consuming nation that may always import, and, consequently, always importing inflation with our dollar purchases from abroad. It will take many years to produce enough to significantly reduce our dependence on imports.

We can immediately focus our energies on creating demand for the naira to generate an uplift in value and create dollars to be supplied into our economy in a significant way. Oil is our main product to the world, let us leverage it, to boost our national currency. It is a quicker and more effective way to enhance the value of the naira.

Let's put in perspective the recent smart decision by the government to sell crude oil to Dangote Refinery in naira. This means that the nearly 60 percent of our FX demand for importing refined petroleum products into Nigeria disappears from our dollar demand, thereby putting less pressure on the naira. If we can finally persuade those who insist that they must import what we produce to ensure "competition" even though that means importing dirty fuel from a blending plant in Malta with unknown owners that has mysteriously appeared from nowhere, and now the largest facility for importing fuel into Nigeria, the dollar demand will reduce even further. As they say, if you understand Nigeria, then you don't know Nigeria.

We should also wean the NNPCL off their love for borrowing dollars with crude oil swaps. It does not matter to them that they cannot now supply Dangote Refinery with its crude oil requirements. Nobody has been able to explain to us the new Nigerian phenomenon of importing crude oil to refine locally, despite now having the capacity to refine our own crude oil to save FX and reduce our demand for dollars.

I was surprised a few years ago on my visit to Kenya and found that Kenyan taxi drivers are not excited to be paid their fares in dollars. They will direct you to a Bureau de Change to change the dollars and pay them in their Kenyan Shillings (their national currency).

No matter how rich you are in dollars, you can only buy and pay for goods and services in pounds in the UK, Euro in Germany, and Yen in Japan. They will not accept dollars for any physical payment.

Companies report their activities in their currency, even when some of those activities occur outside their home country, where the company headquarters are located. Nigerian companies report in naira. Even NNPC that is so much in love with borrowing in dollars to swap for oil, also reports its financials in naira.

Funding government budgets in Nigeria today is by selling oil in dollars and then converting to naira for sharing at FAAC. Why not sell our oil in naira and avoid the run around of first selling in dollars, and exchanging back to the naira?

This current trade flow kills the value of the naira as it does not, by design, create demand for the naira. The flow to create demand should be for buyers of oil to sell the US dollars to buy naira (creating daily demand for large quantums of naira). This demand should, over time, bring about levels of naira scarcity and eventually, naira begins to require more dollars to be availed to it, therefore increasing naira value.

Recent examples of creating demand for national currency, like in Russia, have proven positive; since Russia started demanding that its oil be paid for only in Ruble (their national currency). Two years down the line, and despite the crippling sanctions, the Russian Ruble, has not fallen from the sky as was expected. It has strengthened and has also remained stable.

We now have a market price for the naira. All our contracts should accordingly be priced and paid in naira. Importing inflation with these dollar denominated contracts no longer makes sense.

A true Nigerian FX market will emerge once the demand for the naira goes up. Imagine selling two

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Economics Commentary

Hoping endlessly for Nigeria's economic growth and development

MARCEL OKEKE

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EXACTLY EIGHTEEN MONTHS into his four-year term, President Bola Ahmed Tinubu had his first live media chat on Monday, December 23, 2024, during which he majorly offered Nigerians "hope for a new dawn" The President insisted that his administration and its policies were on the right path, stressing that he had no regrets whatsoever regarding the "fuel subsidy is gone" pronouncement during his inauguration on May 29, 2023.

"I don't have any regrets whatsoever [about] removing fuel subsidy. It is necessary. We cannot spend our future generations' investment. We were not investing. We were just deceiving ourselves. The reforms are necessary," President Tinubu said. He rather asked Nigerians to believe in his government, saying that the administration is on the right path and marks "a glorious dawn" for Nigeria.

Speaking further during the media chat, held in Lagos, Tinubu said his government's reforms, though coming with many unintended painful consequences, were not intended to inflict pain on Nigerians, but to lead the country to the glorious future that the people crave.

But it is either Mr. President is not aware of the full extent and depth of the disruption or collateral damage that the fuel subsidy removal and its kindred policies had unleashed on Nigerians or that he was deliberately putting things euphemistically. Economic policies are for the wellbeing or improvement of quality of life and nothing else. Any economic policy that makes the living condition of the people worse-off is an aberration; and an anathema to human development and progress.

Did Mr. President consider his policy sequencing from day one? Could the fuel subsidy removal have waited for a month or months longer? Could the subsidy removal have been done in 'tranches'? Could the cabal or 'crooks' behind the fuel subsidy 'scam' that was draining the Nigerian economy have been combed out and made to face the music?

Must the fuel subsidy removal be followed up with a full naira floatation? Were there options to the full floatation of the local currency? Could Nigeria have adopted any other foreign exchange (FX) market management system other than going full blast with currency floatation?

As fuel subsidy was removed, what measures did the government put in place to deal with its upshot: both good and bad? Why did the government not embark on expedited local refineries' repairs and re-streaming? Or fast-track incentivising private sector construction and running of refineries? Why were private investors in refineries being frustrated (as exemplified by Dangote Refinery imbroglio)?

Why did the government opt to embark on massive licensing of importers of refined petroleum products (particularly premium motor spirit, PMS)? Was massive fuel (PMS) importation not gulping a huge proportion of our scarce FX? Why should Nigeria (with so much crude oil production) depend almost one hundred percent on imported refined products?

With the full floatation of the naira, and the resultant collapse of the local currency vis-à-vis the dollar and others, what measures did the monetary authorities put in place to contain the trend? Has the massive push-up of the Monetary Policy Rate (MPR), from about 18 percent in June 2023 to 27.75 percent as of today solved anything? As claimed by the Central Bank of Nigeria (CBN), that it is raising the MPR to fight inflation, has the hyperinflationary trend been tamed?

From 22.79 percent level in June 2023 of headline inflation, the figure hit 28.92 percent by end-December 2023. It rose to 29.90 percent in January 2024; hit 34.19 percent in June 2024, and stood at 34.60 percent at end-November 2024. And it is most likely to close the year at 35 percent.

In the face of this worrisome inflationary trend, has the CBN considered the collateral damage the very high interest regime it induced in the economy is causing operators in the real sector? Credit facilities have since gone beyond the reach of the average operator in the productive sector. Have most Small, Medium-sized Enterprises (SMEs) not gone out of business, because of high inflationary pressure and lack of access to finance?

Has the 'hot money' attracted via foreign portfolio investment (FPI) because of the high interest environment (giving high returns) done the economy any appreciable good? Has the rising FPI provided the CBN with the much needed FX to stabilize the market, and the economy?

On the fiscal side, is President Tinubu's pronouncement on the Tax Reform Bills now before the National Assembly, not a bombshell? Does it not smack of arrogance or insensitivity for Mr. President to dismiss all the considerations and contestations about the Bills? In a rare occurrence, did the National Economic Council (headed by the vice president) not call for the withdrawal of the Bills, for further negotiations and wider consultations by stakeholders?

Did the body of Nigeria Governors' Forum (NGF) not also call for the subjection of the Bills to wider consultations? Did the Northern Governors' Forum, and various geo-political and social interest groups not stand for more deliberations on the Bills, before being submitted for Legislative action?

Has Mr. President's pronouncement during the maiden media chat now foreclosed all these suggestions and pleas regarding the tax bills? Same goes for the borrowing spree that Mr. President 'justified' and insists on more borrowing, going forward. In this regard, has the utilisation of borrowed money leapfrogged Nigeria's economic development at any point in time? Has there been any appreciable infrastructural facelift at any time resulting from the deployment of loans (especially foreign ones)?

If anything, Nigeria's economic history shows that the more foreign loans the country takes, the more it plunges into an external debt trap. Has this trend changed? The answer is NO! In point of fact, the hyperinflationary environment as well as the crashing naira in the FX market has combined to push up the 'volume' and pains of such debts: in terms of servicing and repayment.

In recent times, has anybody noticed the tight conditions under which foreign loans (especially via dollar bonds) are being extended to Nigeria? Will an intertemporal and/or peer comparison not show the scary high interest (coupon) rate at which those foreign loans are being given to Nigeria? Yes, loans (foreign or local) per se, are not bad; but does Nigeria's history justify the nation taking humongous (foreign) loans?

In all, did Mr. President's presentations during the media chat give any realisable hope for the turnaround of the Nigerian economy any soon? The President said: "I seek your understanding. I understand the trouble you have been through: the economic problems. It is just 18 months that I've taken [the] reign. We will maintain focus. Let's believe in ourselves and our country. Tomorrow will bring a glorious dawn."

But, the question is: how soon will this 'glorious dawn' be? Are there timelines for the stages of the 'expected' improvement in the wellbeing of Nigerians? Or, is an endless hope the same as real economic growth and development? Right now, Nigerians are at the nadir of hope!

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Nigeria must move...

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million barrels of oil everyday in the market at N1500, this will translate to a demand of N30 billion daily, and also automatically translates to $2 billion inflow daily, effortlessly. Those buying our oil will need to sell dollars to get the naira they need to pay.

A $2 billion market daily transaction, just from oil alone, will transform the value of the naira, increase dollar liquidity and improve the overall economy. It will help moderate inflation, promote strong growth, and stabilise the naira.

We recognise that oil is sold in dollars, we will sell in dollars but receive payments in naira. Since our oil buyers will have to come to the Nigerian FX market to buy the naira, the true value for the naira will emerge from a market mechanism, leading to true price discovery. The buying and selling activity in the market will make the naira a trade-able currency in the international market. It will also give the naira more visibility and enhance its status.

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Trump Can't Stop De-Dollarization

HIPPOLYTE FOFACK

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BELFAST – During the US presidential campaign, Donald Trump pledged to make de-dollarization – efforts to reduce global reliance on the greenback – too costly to contemplate, vowing to impose 100% tariffs on countries that shun the currency. But such a move, part of a broader tariff agenda that the president-elect seems determined to enact, would do little to stop the dollar's demise.

The greenback remains the most important means of exchange and effective store of value, making it the preferred currency for international trade and finance, as well as for foreign-exchange reserves held by central banks to ensure a steady supply of imports and insure against currency crises and macroeconomic instability. But as the world's economic center of gravity shifts east, de-dollarization is accelerating.

The dollar's share of foreign-exchange reserves fell from a peak of 72% in 2002 to 59% in 2023, driven by increased demand for non-traditional reserve currencies – especially the Chinese renminbi. Moreover, the global oil trade was almost exclusively settled in dollars until last year, when one-fifth of these transactions were denominated in other currencies.

Several factors have contributed to this shift. Global South countries have become the drivers of global economic growth, changing the dynamics of global trade and energy markets. An increasingly multipolar world has ushered in a new age of currency competition, while technological and financial innovations have made it less expensive and more efficient to use local-currency settlement (LCS) for bilateral trade.

Trump, seemingly aware of the enormous economic and geopolitical benefits conferred by the dollar's status as the world's main reserve currency, would like to halt this process. After all, the United States is one of the few countries in the highly integrated world economy that still has effective monetary sovereignty – namely, the ability to set and achieve its economic and monetary-policy objectives without regard for other countries.

By contrast, as the eurodollar market became the backbone of the privatized international monetary system, more countries issued dollar-denominated sovereign debt, increasing their reliance on the greenback. In 2011, then-Chinese President Hu Jintao put it plainly: "The monetary policy of the United States has a major impact on global liquidity and capital flows, and therefore, the liquidity of the US dollar should be kept at a reasonable and stable level."

Although a recent study by the Federal Reserve Bank of New York singles out geopolitical distance from the US and financial sanctions as the main drivers of decreasing demand for the US dollar, de-dollarization is not driven exclusively or even largely by America's overreliance on the dollar as a foreign-policy tool. Rather, many governments are encouraging the use of instruments denominated in their national unit of account to capture the welfare gains associated with having an international currency.

Perhaps the most successful example of this was Europe's monetary integration, which gave rise to the euro, now a strong second to the dollar, accounting for around 20% of global reserves and over half the EU's exports worldwide. In 2022, roughly 52% of goods that the European Union imported from non-EU countries, and around 59% of goods that the bloc exported to these countries, were invoiced in euros.

Following in the EU's footsteps, Global South countries are leveraging new technologies to promote the use of LCS for bilateral trade, which can ease balance-of-payments constraints and sustain economic growth. China, for example, has developed its own Cross-Border Interbank Payment System, established bilateral swap lines with nearly 40 foreign central banks, and successfully pushed to denominate oil contracts in renminbi. Total Energies and China National Offshore Oil Corporation concluded China's first purchase of liquefied natural gas in renminbi through the Shanghai Pe-

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Concerns, nuts and bolts of proposed 2025 budget

UCHE UWALEKE

Uche Uwaleke, a professor of capital market and director, Institute of Capital Market Studies, Nasarawa State University, is the president, Capital Market Academics of Nigeria.

AS REQUIRED BY THE 1999 CONSTITUTION, President Bola Ahmed Tinubu on 18th December 2024 performed a crucial aspect of the annual budget ritual when he laid before a joint session of the National Assembly the 2025 budget proposals with aggregate expenditure of N49.7 trillion and a projected N13.4 trillion deficit which is nearly 4 percent of GDP.

The budget priorities reflect its title with the lion's share going to defense/security (N4.91 trillion), Infrastructure (N4.06 trillion), Education (N3.52 trillion) and Health (N2.48 trillion). The key parameters adopted for the 2025 'Budget of Restoration: Securing Peace, Rebuilding Prosperity,' include crude oil price of $75 per barrel and oil production of 2.06 million barrels per day. On the back of expected reduction in importation of petroleum products alongside increased export of finished petroleum products, bumper harvests enabled by enhanced security as well as increased foreign exchange inflows, the budget projects inflation will moderate to 15 percent in 2025 while the naira will appreciate to N1,500 per US dollar.

As the lawmakers consider the 2025 budget proposals presented by the President, it is important that the contents are properly interrogated before the appropriation Bill is passed. A major snag to a thorough interrogation of the Bill is its late presentation to the National Assembly. Much as section 81 of the Constitution allows the President the liberty to lay the Appropriation Bill at any time before the commencement of the next financial year, it goes without saying that late submission of the budget Bill makes it difficult for the National Assembly to undertake proper scrutiny of the proposals and so the approval process is hamstrung by the limited time available for debate. Extant literature supports the fact that the timing of the submission of budget proposals significantly affects the quality of analyses and deliberations by the legislature. As a rule of thumb, a national legislature requires a minimum of three months for effective consideration of the annual budget estimates. Regrettably, this has not been the practice in Nigeria over the years.

To help close this identified gap in the budget process, I submit that a budget law is required similar to the US Congressional Budget Act of 1974 which lays out a formal framework for developing and enforcing a "budget resolution" to guide the budget process. The envisaged budget law should provide a timetable for the various budget stages; strengthen a nonpartisan National Assembly Budget Office to aid in budgetary information and planning as well as encourage stronger collaboration between the various stakeholders. Such a law should ensure that, like the General Bills, the Appropriation Bill is subjected to public hearing. Indeed, the review of the budget Bill by the National Assembly provides a major opportunity for public scrutiny and civic engagement in respect of any concerns the public may have.

I have a concern that the 2025 budget will most likely witness a high level of off-budget funds thereby masking the true picture of government fiscal position. Although recurrent (non-debt) spending has made provision of circa N846 billion for the new minimum wage related adjustments, it is doubtful if this amount will be sufficient to accommodate the attendant bailouts to subnationals by the federal government in support of the implementation of not only the new national wage floor but also agreements with various labour unions including those of universities given the paltry balance in the excess crude account. These potential off-budget funds are capable of undermining the government's plan to progressively reduce deficits and borrowings over the medium term. For the 2025 budget not to run into a major hitch, it is important that, as much as possible, all claims on public financial resources are identified and reconciled within the framework of the budget possibly incorporating potential investment income from restructuring of MOFI as well as positive impact of expected tax reforms to fund such claims in the event that the oil revenue projections do not materialise.

A related concern I have is the financing of the N13.4 trillion deficit in which asset sale/privatisation proceeds will contribute a mere N312 billion, while N3.8 trillion represents multilateral/Bilateral project-tied loans. The bulk of the borrowings (N9.3 trillion) will be largely discretionary and non-project tied. In order not to compound the already huge debt burden the country is facing, every effort should be made to ensure that all long-term funds sourced from the debt capital market are tied to self-liquidating projects.

The budget breakdown, contained in the Executive proposal, is meant to provide the nuts and bolts that will facilitate budget implementation and control. Besides the concern which the financing of the deficit raises, there are equally other weighty issues that deserve careful scrutiny by the National Assembly. For example, a thorough review of the line items that make up service wide votes and capital supplementation can free-up significant funds that can be channeled to other critical areas such as agriculture and solid minerals. For instance, the National Assembly should interrogate the composition and rationale for the 'margin for increase in costs and recurrent adjustment (N12 billion) as well as the line item tagged 'contingency recurrent' (N36 billion). Curiously, the same figures appeared under service wide votes in 2024. Equally, under capital supplementation is a line item known as 'contingency capital (N200 billion) which also featured in 2024 budget for the same amount. The opaque description of these items as well as their presentation calls for closer scrutiny.

In the same vein, a situation in which projects are merely listed as 'ongoing' without stating the completion target expected in 2025 leaves much to be desired. For example, listed under the Ministry of Transport as 'ongoing' are 10 projects for which the sum of N42 billion is earmarked. These include the completion of Abuja-Kaduna railway project; Lagos-Ibadan and its associated additional works; rehabilitation of Itakpe-Ajaokuta rail line, and the 'construction of 12 Nos. station buildings and track laying works at railway ancillary facilities areas Agbor'. Others include 'installation of signal and telecommunication system on Itakpe-Ajaokuta-Warri railway line, installation of acoustic sensing security surveillance system for the Abuja (Idu)-Kaduna and other security gadgets,' as well as completion of feasibility studies for new standard gauge rail lines.

To see the shortcomings in this presentation, most of these projects also featured in the 2024 budget breakdown where a provision of N33 billion was made. Even the 'feasibility studies for new standard gauge rail lines listed as completed in 2024 budget is also appearing to be completed in the 2025 budget! Besides, the document was silent on the completion stages of these projects and did not indicate how much each of these projects would cost. This sort of narrative does not allow for a correct assessment of progress made in the projects' execution. The same presentation flaw is observed with respect to projects listed under the Ministry of Works in the 2025 budget where about N290 billion has been allocated for the rehabilitation/repair of roads. For example, the sum of N1 billion each has been provided for the 'ongoing' construction of Rijiya Gusau Road in Zamfara State and Nsukka-Obollo-Afor-Ehamafu-Nkalagu road in Enugu State.

It stands to reason that long-term projects such as roads or railways spanning several years should first be included in a country's perspective plan (or at least medium-term plan) indicating timelines and then each year, the annual budget draws from it showing (preferably in kilometres as opposed to 'sections') achievable targets. This renders the use of "ongoing" a poor indicator to have in an annual budget. It bears repeating that for the budget information to discipline fiscal actions, it must be transparent. This demands the avoidance of the use of opaque and arbitrary language to enable the electorate to verify the budget information as well as monitor performance. A good example is specifying road or rail projects in terms of kilometres to be attained. Without such numbers, it is difficult for the populace to hold the government accountable.

In order to ensure that resources are properly allocated, MDAs with large overheads relative to total spend such as the Ministry of Budget and Economic Planning (N1.3 trillion), National Rural Electrification (N1.3 trillion), Nigerian Electricity Liability Management Ltd (N680 billion) among others, should be made to provide reasons why such disproportionate overheads should not be considerably slashed.

It is encouraging to note that the federal government's total independent revenues are expected to increase from N1.9 trillion in 2024 to 3.5 trillion in 2025 largely on account of expected increase in operating surplus to N2.6 trillion from N1.1 trillion last year. Similarly, an increase in dividend expected from NLNG is projected to grow to N727 billion from N346 billion last year. But projected dividends from the Bank of Industry (N4.7 billion), Development Bank of Nigeria (N2.6 billion) and Bank of Agriculture (nil) are lower than the previous year. This calls for a review of the yearly allocation of N10 billion for recapitalisation of DFIs as this amount is grossly inadequate to even attract private sector interest.

By the same token, I think the Ministry of Solid Minerals Development deserves more than the N16.7 billion earmarked for it in 2025. Over the years, this ministry has remained the leprose finger among the five key agencies that generate revenues for the Federation Account namely the NNPCL, Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Nigeria Custom Service (NCS), Federal Inland Revenue Service (FIRS), and Ministry of Mines & Steel Development (MMSD). This may not be unconnected with poor funding of the sector - one with potential for export base diversification.

All said, the minister of budget and his team deserve commendation for preparing the 2025 budget proposal especially against the backdrop of the fact that a new director general for the Budget Office assumed duties not too long ago. To provide a major opportunity for public scrutiny and civic engagement as well as facilitate a thorough interrogation of the 2025 budget estimates, the National Assembly should ensure that the 2025 Appropriation Bill is subjected to public hearing. By providing a platform for open discussion on the budget, the lawmakers will be helping to broaden public debate on budget priorities.

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Trump Can't Stop...

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troleum and Natural Gas Exchange last year.

In 2022, the Reserve Bank of India established a mechanism to enable international trade settlement in rupees, which could save around $30 billion in dollar outflows if used for Russian oil imports. Among the BRICS+ countries (Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, and the United Arab Emirates), trade settled in national currencies has reportedly surpassed that in dollars. Cross-border investment in local currency is also set to rise, with the BRICS' New Development Bank raising its local-currency lending from about 22% to 30% by 2026 to mitigate the impact of foreign-exchange fluctuations and remove cash-flow bottlenecks in financing projects.

For emerging and developing economies, de-dollarization can also mitigate the adverse spillover effects of the US Federal Reserve's policymaking. The Fed's most recent aggressive tightening cycle has exacerbated macroeconomic instability and dampened growth, ensnaring more and more countries in the middle-income trap and preventing global income convergence. As research by the International Monetary Fund shows, a sudden stop in capital flows to an emerging-market economy leads to an average 4.5% decline in GDP growth that year, and a 2.2% decline the following year.

De-dollarization may also reduce the need to hoard reserves, a form of insurance against external shocks and financial volatility that implies massive opportunity costs for emerging and developing economies. These countries' monetary authorities could instead invest in higher-yielding assets, thereby generating more resources to meet development challenges, including investments that strengthen resilience to climate change.

Precautionary reserves are especially damaging for low-income countries with higher credit risks and larger interest-rate spreads, as they often involve reverse carry trades. Bangladesh currently holds a record $46.4 billion in low-yielding currency reserves to stabilize the taka while paying more than 8% interest on its sovereign bonds.

The Nobel laureate economist Joseph E. Stiglitz estimated the annual cost of reserve hoarding for developing countries at more than $300 billion – 2% of their combined GDP – in the mid-2000s.

That figure is undoubtedly higher today, given the increase in excess reserves and the growing number of countries with sub-investment-grade credit ratings accessing international capital markets.

To be sure, de-dollarization also serves as a hedge against US financial sanctions, which are expected to proliferate under Trump. But the myriad other benefits of pursuing such a policy, especially in terms of macroeconomic management and growth, are huge, and will likely outweigh the costs of the retaliatory tariffs that Trump has promised to impose on currency competitors.

The process may be slow-moving. Powerful network externalities, coupled with the depth and liquidity of the US capital markets, have made it difficult to dislodge the dollar, even though America lost its status as the world's largest trading economy more than a decade ago. But the shift to non-traditional reserve currencies in an increasingly multipolar economic system, and the growing importance of the cross-border use of national currencies in fueling growth and achieving global income convergence, suggests de-dollarization will continue. And a tsunami of tariffs and sanctions under the next US administration will surely help it along.

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A Baseline Scenario for the Global Economy in 2025

MOHAMED A. EL-ERIAN

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CAMBRIDGE – It is something of a tradition every December to take stock of the year that is ending and consider what might lie ahead. This is true on a personal level: in my family, we tend to do this around the dinner table. But it is also true more broadly, with the time of year inviting an examination of the intersection of economics, national politics, and global geopolitics.

You would be forgiven if, as a starting point, you expected these three areas to be in alignment. After all, they are deeply interconnected, which suggests self-reinforcing dynamics. But 2024 brought some unusual dispersion in this relationship that actually widened, rather than narrowed, over the course of the year.

Begin with geopolitics. In 2024, Russia secured a greater advantage in the Ukraine war than the consensus forecasts of a year ago anticipated. Similarly, the human suffering and physical destruction resulting from the Israel-Hamas war in Gaza exceeded most observers' already-grim expectations, and spread to other countries, such as Lebanon. The apparent impunity of the strong, together with the absence of effective means of preventing dire humanitarian crises, has deepened the sense for many that the global order is fundamentally imbalanced, and lacks any enforceable guardrails.

As for domestic politics, upheaval has been the order of the day in many countries. Governments have collapsed in both France and Germany – Europe's largest economies – leaving the European Union without political leadership. And following Donald Trump's victory in last month's presidential election, the United States is preparing for a political transition that is likely to bring a significant increase in the political influence of a new "counter-elite."

Meanwhile, an "axis of convenience" – comprising China, Iran, North Korea, and Russia – is seeking to challenge the Western-dominated international order. Other recent developments – from the now-impeached South Korean president's abrupt declaration of martial law (which was quickly reversed) to the collapse of Bashar al-Assad's regime in Syria – have reinforced the impression that we are living at a time of exceptional geopolitical and political volatility.

The last year also brought some worrisome macroeconomic developments. Europe's malaise has deepened, as countries grapple with low growth and large budget deficits. And China has failed to respond credibly to the clear and present danger of "Japanification," with unfavorable demographics, a debt overhang, and a prolonged property-market downturn undermining growth, economic efficiency, and consumer confidence.

And yet, stock markets have remained relatively stable and delivered high returns, including almost 60 record-high closes for the S&P index. The US economy's exceptional performance is a major reason why. Far from weakening, as most economists expected, the US pulled even further ahead. Given the amount of foreign capital the US is attracting, and the scale of its investment in the future drivers of productivity, competitiveness, and growth, it is likely to continue outperforming other major economies in 2025.

One consequence of this success is that the US Federal Reserve did not deliver the soothing 1.75-2-percentage-point interest-rate cuts that markets were pricing in a year ago. This trend, too, is set to continue: at December's policy meeting, the Fed signaled fewer cuts in 2025, and a higher terminal (long-run) rate.

But political and geopolitical upheaval – and the limited prospects for significant improvements – does pose a risk to the endurance of US economic exceptionalism. Even if the US continues outperforming its peers, as expected, the range of possible outcomes, in terms of both growth and inflation, has widened. In fact, global economic and policy outcomes as a whole are now subject to a larger possibility set, both because the downside risks have grown and because upside innovations – such as in artificial intelligence, life sciences, food security, health care, and defense – could transform sectors and accelerate productivity gains.

Absent a major policy reset, my baseline scenario for the US includes a somewhat lower immediate growth rate, even as the economy outperforms its peers, and sticky inflation. This will present the Fed with a choice: accept above-target inflation or attempt to bring it down and risk tipping the economy into recession.

Globally, economic fragmentation will continue, pushing some countries to diversify their reserves further away from the US dollar and explore alternatives to Western payment systems. Yields on US ten-year government bonds – a global benchmark – will edge higher, trading mostly in the 4.75-5% range. As for financial markets, they might find it more challenging to maintain their status as the "good house" in a challenging geo-economic neighborhood.

This is how things appear now. But, beyond recognizing the wider dispersion of possible economic outcomes in 2025, it will be crucial regularly to test whichever baseline one embraces against actual developments.

Stock markets have remained relatively stable and delivered high returns, including almost 60 record-high closes for the S&P index

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A New Deal for Developing Countries

WILLIAM RUTO

William Ruto, President of Kenya, is Chair of the Committee of the African Heads of State and Government on Climate Change.

NAIROBI – The recent, record-breaking $100 billion replenishment of the World Bank's International Development Association (IDA) is a significant milestone. While the final tally fell short of the $120 billion that I and other African leaders called for in April at the IDA21 Replenishment Summit in Nairobi, it nonetheless represents a critical step forward. The new funding offers hope to millions and signals that our global partners are committed to addressing the immense challenges we face.

The Nairobi summit not only underscored the importance of the IDA for development financing; it also called attention to Africa's pivotal role in solving global crises such as climate change. Over the years, the IDA has been a lifeline for many, offering the kind of long-term, concessional financing that empowers countries to invest in critical sectors such as health, education, and infrastructure. By responding swiftly during crises and leveraging $4 in capital market funding for every $1 of donor contributions, it has proven its value as a force multiplier.

Even so, the challenges we face demand an even bolder response. According to the World Bank, developing countries' foreign debt service reached a staggering $1.4 trillion last year – a figure that dwarfs even the most ambitious climate-finance commitments. Africa's debt burden has become a barrier to achieving sustainable development and climate resilience, with high interest payments diverting resources away from critical investments in health, education, and infrastructure.

As I noted at the Nairobi summit, this reality perpetuates a vicious cycle of vulnerability, compounded by the escalating effects of climate change. In the past year alone, eastern Africa has endured devastating floods that displaced thousands and destroyed vital infrastructure, while persistent droughts in southern Africa have crippled agricultural output in Zambia and Zimbabwe. In western and central Africa, floods have wreaked havoc in Nigeria, Niger, and Chad, displacing entire communities and submerging farmlands.

Meanwhile, desertification continues to encroach on arable land, threatening food security in countries like Mali, while extreme heatwaves have strained energy systems in parts of North Africa. These crises – which disrupt lives, livelihoods, and economies across the continent – heighten the need for concessional financing on a scale that matches the magnitude of the challenge.

While negotiations over the New Collective Quantified Goal (NCQG) at this year's United Nations Climate Change Conference (COP29) stressed the urgency of mobilizing $1.3 trillion in climate finance per year by 2035, the delegates ultimately fell short, with commitments reaching only $300 billion. For Africa, this outcome illustrates the persistent inequities in global financing and highlights the need for institutions like the IDA to play an even greater role in plugging the gap.

The overlap between the IDA replenishment and the NCQG is clear: both aim to secure the resources needed to advance sustainable development. The IDA's $100 billion replenishment must be leveraged for maximum impact, particularly in addressing vulnerable countries' need to invest in climate resilience.

The world cannot achieve its mid-century net-zero emissions target without Africa's full participation. With sufficient investment in our renewable energy resources, Africans can lead the global decarbonization agenda while providing electricity to the 600 million people on the continent who currently lack access.

I and other African leaders commend the IDA for its continued focus on innovative solutions such as debt-for-climate swaps, and for its support for climate-positive growth. But our economic transformation requires a collective global commitment to structural reforms. We must do more to leverage Special Drawing Rights (the International Monetary Fund's reserve asset), reallocate fossil-fuel subsidies, and strengthen the lending capacity of multilateral development banks. As I emphasized in Nairobi, the G20 Independent Expert Group's recommendation to triple the IDA's financing capacity to $279 billion by 2030 remains a sound and necessary target.

The Nairobi Declaration, adopted at last year's Africa Climate Summit, provides a blueprint for aligning development financing with climate action. By focusing on African-led initiatives, leveraging our vast renewable energy potential, and driving industrialization, we can create millions of jobs while also securing a sustainable future for the continent.

Africa is ready to play its part. We are committed to fiscal discipline and enhanced governance to create a conducive environment for investment and sustainable development. But to succeed, we will need our global partners to match this commitment with sustained support and collaboration, which means exceeding the current IDA replenishment levels in future rounds.

For all of us in Africa, the $100 billion replenishment is a step, not a destination. Together, we must build on the momentum generated this year to ensure that the IDA and the NCQG deliver on their promise of equitable, effective, and accessible financing. It is up to us to transform today's challenges into opportunities to secure a prosperous future for all Africans.

The world cannot achieve its mid-century net-zero emissions target without Africa's full participation

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Access Bank sets benchmark as first to meet CBN's N500bn capital requirement

- Secures CBN, SEC approvals for recently closed Rights Issue of ordinary shares worth N351bn
- Share capital hits N600bn

Onome Amuge

ACCESS BANK, THE BANKING subsidiary of Access Holdings has emerged the first bank to meet the N500 billion minimum regulatory capital requirements set by the Central Bank of Nigeria for Nigerian banks with international authorisation, well ahead of the March 2026 regulatory deadline.

The milestone was achieved after Access Holdings Plc, a prominent player in Africa's financial services sector received approval from both the CBN and the Securities and Exchange Commission (SEC) for its Right Issue of 17,772,612,811 Ordinary Shares of 50 Kobo each, priced at N19.75 Kobo per share. The Right Issue has successfully raised the target amount of N351,009,103,017.25.

Notably, the development marks a key step forward for Access Holdings Plc, as the company's share capital will now increase to N600 billion, surpassing the regulatory minimum requirement by N100 billion.

In keeping with its dedication to innovation and leadership, Access Holdings Plc has made history by being the first company licensed and regulated by the CBN to successfully execute a fully digital Rights Issue, harnessing the power of technology to improve access to the equity capital market.

The Company further acknowledged that it utilised the NGX's E-offer platform, providing its shareholders with a seamless, efficient, and convenient subscriber experience.

Commenting on the successful offer, Aigboje Aig-Imoukhuede, Access Holdings Chairman, said: "The Access brand has always resonated strongly with the local and international capital markets. Since 2004, Access Bank has raised billions of dollars in capital to meet successive CBN recapitalisation directives. We are pleased that this time we are the first to breast the tape.

"The success of the Rights Issue demonstrates the resilience of Nigeria's capital market and reinforces our shareholders' confidence in the present value and potential of our Company.

"We deeply acknowledge the invaluable and strong support of the Central Bank of Nigeria and the Securities and Exchange Commission who both played crucial roles in ensuring the integrity and efficacy of our Rights Issue exercise.

"We are also grateful to our valued shareholders, whose loyalty to the Access brand and vision for over 22 years has been most inspiring and unwavering."

As Access Holdings looks ahead to a new year of growth and progress, Aig-Imoukhuede expressed confidence that the company's strengthened capital base will enable it to deliver sustainable value for its stakeholders.

From left: Chief of Staff to Oyo State Governor, Segun Ogunwuyi; Deputy Governor of Oyo State, Alhaji Bayo Lawal; Commissioner for Budget and Economic Planning, Prof Musbau Babatunde; Gov Seyi Makinde of Oyo State; Speaker, Oyo State House of Assembly, Debo Ogundoyin and Chairman, House Committee on Appropriation and Economic Planning, Oyo State House of Assembly, Sunkanmi Babalola at the signing of the 2025 Oyo State Appropriation Bill into law by Gov Makinde in Ibadan

Sterling HoldCo secures CBN approval for N75bn capital expansion plan

Onome Amuge

STERLING FINANCIAL HOLDCO has successfully received the Central Bank of Nigeria's (CBN) approval for its recently acquired N75bn capital, which was raised through a private placement in September 2024.

This development concludes the firm's capital injection process, which was initiated to meet its new capital threshold.

Following the private placement held in September 2024, Sterling HoldCo demonstrated its commitment to shareholders by launching a Rights Issue in October 2024, providing existing shareholders with the exclusive opportunity to increase their stakes in the company and share in its growth story.

This move elicited significant interest and participation from shareholders, reflecting the level of confidence and trust that the company has fostered over the years. The influx of capital has arrived on the heels of a fruitful year for Sterling, marked by a strong financial performance and several strategic accomplishments. The successful capital raise was reflected in the company's stock price, which witnessed a 19 percent increase by the end of December 2024.

The surge in stock price comes as part of Sterling's impressive three-year growth, which has seen its stock price soar 287.42 percent.

Looking forward to the new year, Sterling HoldCo is gearing up for a public offering, which is expected to provide the company with the necessary funds to meet the recently mandated capital requirement by the CBN.

Yemi Odubiyi, the group chief executive described the capital injection and the approval as a validation of the company's strategic direction and operational excellence.

"This milestone reflects the confidence of regulators and stakeholders in our vision to redefine financial services in Nigeria and beyond. Our enhanced capital base empowers us to pursue transformative opportunities, deliver sustainable value to all stakeholders, and drive impact across critical sectors of the Nigerian economy," he stated.

Odubiyi further emphasised that Sterling HoldCo's ability to adapt, powered by its cutting-edge technology and flexible operational model, has enabled the company to not only withstand market fluctuations but also capitalise on lucrative growth opportunities. Reflecting on Sterling's accomplishments, Odubiyi acknowledged the instrumental role of stakeholders, including regulators, investors, and customers stating, "We are grateful for the unwavering support and trust in our strategy, which has been pivotal to our journey. This recapitalisation strengthens our ability to unlock new opportunities, create value, and drive economic growth.

"As Sterling looks ahead, its focus remains firmly on innovation, sustainability, and value creation. With a fortified capital structure, the company is well-positioned to execute its ambitious growth plans, deepen its impact across critical sectors, and set new benchmarks for excellence in Nigeria's financial services industry.

"This latest milestone marks a transformative chapter for Sterling Financial Holdings Company Plc as it continues to redefine the future of financial services in Nigeria and beyond."

Fitch flags budget deficit as key driver of potential Naira weakness

Onome Amuge

FITCH RATINGS HAS FLAGGED the possibility of significant hurdles in Nigeria's efforts to stabilize its economy, stressing that failure to meet fiscal deficit reduction targets could impede the country's progress.

According to the global credit rating agency, if the budget deficit is larger than expected in 2025, this could result in a further decline in the naira's value, elevated inflation, and higher borrowing costs for the government.

These developments, the agency noted, could jeopardise the government's ability to carry out its reform agenda, posing a serious threat to the economy as a whole.

Fitch's recent report zeroed in on the federal government's 2025–2027 Medium-Term Expenditure Framework, which predicts a reduction in the budget deficit. However, Fitch cast doubt on the framework's assumptions, specifically oil prices of $75 per barrel and production of 2.06 million barrels per day, which include condensates.

These projections, Fitch observed, are more optimistic than its own estimates, which project oil prices of $70 per barrel and production of 1.77mbpd.

"Reducing the deficit in line with the MTEF would provide further credibility for the government's reform agenda, but if the deficit target is missed, it may increase the pressure for further naira depreciation, as well as putting upward pressure on prices and interest rates.

"A deficit significantly larger than what we projected in our November 1 assessment, when we affirmed Nigeria's rating at 'B-' with a Positive Outlook, could complicate the task of establishing macroeconomic stability and potentially damage policy credibility," it stated.

According to the credit rating agency, while the government's drive to boost non-oil revenues is commendable, its proposal to raise Value Added Tax (VAT) from 7.5 percent to 10 percent in 2025 could encounter political backlash.

Moreover, Nigeria's revenue-to-GDP ratio, which remains among the lowest globally, is projected by Fitch to average 10.3 percent in 2024–2025, well below the 19 percent median for 'B'-rated sovereigns, further underscoring the country's fiscal challenges.

Fitch emphasised the critical importance of Nigeria's efforts to raise fiscal revenues, especially from more reliable non-oil sources, as a key step towards improving the country's credit profile and achieving macroeconomic stability.

The global credit rating agency also cautioned that failing to meet the fiscal deficit target could result in increased pressure on the exchange rate, potentially exacerbating the country's already volatile currency situation.

While Nigeria has taken steps to streamline its exchange-rate regime and tighten monetary policy, the naira has faced renewed depreciation pressure, which has led to a divergence between the official and parallel market exchange rates in recent months.

This renewed pressure on the currency highlights persistent foreign exchange constraints in the country, despite efforts to stabilise the currency.

In its assessment, Fitch acknowledged the introduction of an electronic FX matching platform on December 2, 2024, as a positive move towards increased transparency in Nigeria's currency markets.

However, the agency also noted that progress in addressing the country's foreign exchange challenges has been slower than expected.

On the positive side, Nigeria's recent economic reforms are seen to have boosted its external buffers.

Nigeria's official foreign exchange reserves experienced a surge from $32.2 billion in April to $40.2 billion in November 2024. This increase provided coverage for about six months of current external payments, which is significantly above the 3.7 months median for countries rated 'B' by Fitch.

The expansion of Nigeria's official reserves was underpinned by several notable inflows. These included a $917 million foreign currency-denominated bond issued in August, a $750 million disbursement from the World Bank in November, and the successful issuance of $2.2 billion in Eurobonds earlier this month. The Eurobond issuance, completed on December 3, was composed of a $700 million 6.5-year note and a $1.5 billion 10-year note.

While Nigeria's official foreign exchange reserves experienced an upward trend, Fitch highlighted lingering concerns about the transparency of the country's exchange-rate policy, specifically in relation to the net reserves held by the government.

Fitch observed that a persistent lack of clarity in certain key areas, particularly in relation to the exchange-rate policy, has continued to undermine investor confidence and hamper the overall effectiveness of economic reforms designed to stabilise the country's economy.

For **Feedback**, send text message to
Bamidele Famoofo on 08074509391

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	102,133.30	3,777.42	8,084.61	43,090.92	5,460.48	79,707.11	17,732.60
CURRENT	0.99	+1.36	0.26%	-0.12%	-0.41%	0.93%	0.71%
YEAR TO DATE	36.59	+35.38	-20.71	3.79%	14.48%	3.66%	11.16%

TOP TRADERS

Company	Volume	Value
UBA	41725785	1475224275
ACCESSCORP	35438468	871318899.9
ZENITHBANK	33262520	1531159753
GTCO	22880372	1314469020
JAIZBANK	19243046	57205218.72

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	UPL	N 3.50	N 3.85	10.00%
2	WAPIC	N 1.70	N 1.87	10.00%
3	UNIVINSURE	N 0.50	N 0.55	10.00%
4	IKEJAHOTEL	N 11.05	N 12.15	9.95%
5	MAYBAKER	N 8.55	N 9.40	9.94%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	HONYFLOUR	N 6.93	N 6.30	-9.09%
2	RTBRISCOE	N 2.65	N 2.50	-5.66%
3	NEIMETH	N 2.01	N 1.90	-5.47%
4	ETERNA	N 30.00	N 28.50	-5.00%
5	TANTALIZER	N 1.80	N 1.72	-4.44%

COMMODITIES

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

FDI boost of $50bn key to achieving 5% inflation in Nigeria in 2025, says economist

Onome Amuge

INVESTING BEYOND borders is a core pillar of foreign direct investment (FDI), which involves buying a controlling stake in assets such as businesses, real estate, or productive resources in a foreign country, granting the investor direct influence over these assets.

In Nigeria, FDI has proven to be a vital source of capital importation, with the country attracting a cumulative total of $252.83 million in the first three quarters of 2024.

Despite FDI's significant contribution to Nigeria's economy, economists argue that the country needs to up its game and attract more foreign investment if it hopes to achieve sustainable economic growth.

Standing at the forefront of calls for greater FDI is Ayo Teriba, the Chief Executive Officer of Economic Associates and a renowned figure in the Nigerian economic landscape.

In his most recent proposal, Teriba asserted that Nigeria must pull in $50 billion in Foreign Direct Investment if it hopes to bring inflation down from its current rate of 34.6 percent to five percent by 2025.

The CEO of Economic Associates posited that expanding the country's net reserves would serve as a potential economic fix for Nigeria's current economic woes. This, he suggested, would not only serve as a stabilising force for the economy but could also pave the way for Nigeria's macroeconomic conditions to become more moderate in the long run.

From left: Co-Founder, Connected Diaspora, Nosa Okunsebor; Chairman/CEO, Nigerians in Diaspora Commission's (NiDCO's); Abike Dabiri-Erewa; Deputy Governor of Lagos State; Obafemi Hamzat and Co-founder, Connected Diaspora, Siji Abere, during a meeting between Connected Diaspora NiDCOM in Lagos, recently.

According to Teriba, Nigeria's economic woes,most notably, the country's stubbornly high inflation rate and unstable exchange rate could be mitigated with a robust increase in capital inflows and the resultant surge in the nation's foreign reserves.

Teriba advocated for a proactive and aggressive approach from the government, stressing that without bold reforms designed to draw in substantial foreign direct investment , Nigeria's economy, currently struggling with a slew of interconnected issues, would remain in a state of stagnation. According to the economist, only transformative FDI inflows could catalyse the kind of economic transformation necessary to lift Nigeria out of its current economic challenges and create a sustainable pathway towards long-term prosperity.

"Five percent inflation is possible next year. Look at what happened in Argentina. Economists don't prophesy but make conditional statements.

"If the president can complement the efforts on tax and finance reforms with an investment act to attract $50bn FDI within the next year, exchange rates will stabilize, and inflation will drop to single digits," he said.

Teriba cautioned that the government's existing economic policies, especially its preoccupation with debt servicing, are obstructing its ability to reach the proposed FDI target, which he views as an essential component in tackling Nigeria's endemic economic challenges.

He highlighted that borrowing to settle existing debt is not only ineffective in addressing the root of Nigeria's economic issues, but it is also a self-defeating strategy that entrenches the country in a vicious cycle, further impeding its ability to attract the FDI necessary to spur economic growth and stability.

"The interest rates offered to Nigeria by international creditors are among the highest globally, primarily due to the country's poor credit rating. This makes borrowing inefficient and unsustainable as a long-term strategy," he pointed out.

Teriba criticised the government's reliance on debt, advocating instead for a paradigm shift towards equity-based financing to unlock Nigeria's potential for economic growth.

He pointed out that other nations with comparable economies, which manage to issue higher-grade debt instruments, are able to borrow at more attractive rates. By contrast, Nigeria's debt-based approach, which has resulted in its current lower-grade debt instruments, has contributed to its difficulties in attracting foreign direct investment and has acted as a barrier to achieving the economic stability and growth it so desperately needs.

Teriba highlighted the pressing need for the government to take decisive action by adopting a comprehensive investment strategy, focused on structural reforms and incentives, to attract foreign capital. He cautioned that in the absence of these efforts, inflationary pressures would continue to burden the economy, jeopardising stability.

The economist cautioned that if Nigeria persisted on its current path of high-interest borrowing and poor debt management, it would forego the opportunity to stabilise its economy. However, he argued that if the government implemented ambitious reforms and succeeded in attracting $50 billion in foreign direct investment, Nigeria could enter a new era of economic growth and stability.

NGX extends bullish run as investors pocket N609.27bn in holiday-shortened week

INVESTORS ON THE NIGERIAN XCHANGE (NGX) enjoyed a holiday-shortened yet profitable week as the Nigerian equities market sustained its bullish momentum, adding N609.27 billion to investors' pockets. This profit follows on the heels of a N1.061 trillion gain the previous week.

Despite only three trading sessions due to the Christmas and Boxing Day breaks, the Nigerian stock market continued its upward trend, recording a N609.27 billion profit and a market capitalisation increase of 0.75 percent from N61.303 trillion to N61.912 trillion.

The All-Share Index (ASI) also demonstrated growth, rising by 0.99 percent to close at 102,133.30 points, from its previous week's close of 101,129.09 points.

The Nigerian equities market started the shortened trading week on a positive note, with investors gaining N137.64 billion at the close of the first session on Monday, December 23, 2024.

The market continued to climb on the second trading day of the week, Christmas Eve, Tuesday, December 24, 2024, with investors profiting an additional N503.60 billion, bringing the total profit for the two-day trading week to N641.24 billion.

The Nigerian equities market observed a holiday break from Wednesday, December 25 to Thursday, December 26, 2024, to mark the Christmas celebration.

However, the market experienced a setback following trading resumption on Friday, December 27, 2024, with investors taking a hit of N31.97 billion in losses, dampening the overall positive performance of the week.

The trading activity on the NGX saw a decline in volume and value compared to the previous week, due to the holiday-shortened trading week.

Investors exchanged a total of 1.387 billion shares valued at N52.023 billion in 33,411 deals, compared to 2.536 billion shares worth N91.382 billion transacted in 51,406 deals during the previous week.

The Financial Services Industry, characterised by its high volume of trading activity, emerged as the leader in terms of trading volume for the week, accounting for 63.58 percent of the total equity turnover volume with 881.646 million shares traded in 14,968 deals.

The industry also made a notable contribution to the total equity turnover value, contributing 34.17 percent with a total value of N17.774 billion.

The Oil and Gas sector traded 103.763 million shares valued at N12.438 billion in 4,554 deals, securing the second position on the activity chart for the week.

The Services Industry was the third most dominant industry as it recorded a turnover of 98.622 million shares worth N482.169 million in 1,998 deals.

The top three most actively traded equities in terms of volume, namely United Bank for Africa Plc, Universal Insurance Plc, and Zenith Bank Plc, accounted for a significant proportion of the total equity turnover volume, amounting to 294.032 million shares. This represented 21.20 percent of the total equity turnover volume for the week.

Sixty-four (64) equities appreciated in price during the week, higher than sixty-one (61) equities in the previous week. Twenty (20) equities depreciated in price lower than twenty-six (26) in the previous week, while sixty-nine (69) equities remained unchanged, higher than sixty-six (66) recorded in the previous week.

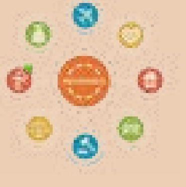
Ikeja Hotel Plc registered the highest share price increase with a 32.79 percent increase, followed closely by Multiverse Mining and Exploration Plc with a share price growth of 32.61 percent.

PZ Cussons Nigeria Plc was also among the top gainers for the week as its share price was up 26.09 percent.

Thomas Wyatt Nig. Plc's share price decline of 10 percent was the most dramatic downturn in share prices for the week, followed by Aradel Holdings Plc's loss of 9.64 percent of its share prices. Austin Laz & Company Plc also experienced a significant share price decline, shedding 9.29 percent of its value, as these three companies emerged as the biggest losers of the shortened trading week.

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



Stories by Joy Agwunobi

NAICOM chart ambitious path to strengthen Nigeria's insurance sector in 2025

AS NIGERIA NAVIGATES ITS ECONOMIC challenges, the National Insurance Commission (NAICOM) has doubled down on its commitment to fostering a thriving insurance sector. With bold reforms and strategic initiatives, the board and management of NAICOM are determined to establish a robust and standardised industry capable of driving investor confidence and contributing to the broader economy.

During its final board and management meeting for 2024, NAICOM reiterated its mandate to set industry standards, regulate insurance premiums, and oversee transactions involving insurers and reinsurers, both locally and internationally. The commission also highlighted its priority to ensure compliance across the sector while laying the groundwork for financial stability and innovation as 2025 approaches.

The commission's focus on operational excellence, risk-based supervision, and consumer protection is expected to enhance the sector's contribution to Nigeria's economic development.

Speaking during the meeting, Olusegun Omosehin, the commissioner for insurance and Chief Executive Officer of NAICOM, highlighted the potential of the recently introduced insurance bill.

From left, Vice Chairman, Badagry LGA, Elizabeth Kappo; Chairman, Olusegun Onilude presenting a cheque of One Million Naira only to the winner of Raffle Draw, Abimbola Falola and Supervisor to the Department of Women Affairs and Poverty Alleviation (WAPA), Risikat Padonu-Hassan during the closing of the Annual Badagry Women Symposium organized by WAPA at Badagry in Lagos, recently.

"We are excited as to some of the clear opportunities that abound in the new bill, foremost of this is the minimum share capital requirement for financial institutions; this will speak to the ability of the sector to present sound and stable entities that can give comfort and confidence to the insuring public," he said.

Additionally, Omosehin noted that the bill's provisions around risk-based supervision represent a significant milestone for the commission as a regulator. " The provision in the new Bill around risk based supervision also would be a welcome development for the commission as a regulator," he stated.

Omosehin also emphasised the bill's role in strengthening consumer protection and consolidating various legislative frameworks into a single, comprehensive act. According to him, these developments signify a new era for the industry, one that aligns with global best practices and fortifies NAICOM's regulatory effectiveness.

On his part, Umar Mohammed, director at NAICOM, assured policyholders and industry stakeholders of the commission's relentless efforts to foster a stable and progressive insurance sector.

"I would like to assure Insurance policy holders and all other stakeholders within the industry that the commission is doing everything within its power to ensure a sector with property and development as we go into the new year 2025. We look forward to a year filled with opportunities and development so we will do everything we can within our power to ensure a more stable Insurance sector," Mohammed stated.

On her part, Halima Kyari, the Chairperson of NAICOM's Governing Board, elaborated on the commission's proactive measures in 2024. "During the year, we issued new operating licenses to qualified industry players, conducted extensive examinations of existing operators, and safeguarded shareholder interests. Additionally, we took necessary yet challenging steps, such as dissolving the management and board of African Alliance Insurance PLC and inaugurating an interim board to ensure stability and accountability within the sector," Kyari explained.

Through these efforts, NAICOM aims to position the insurance industry as a cornerstone of economic resilience, fostering trust, stability, and innovation in an increasingly dynamic market. As 2025 approaches, the commission's leadership remains steadfast in its mission to transform the industry and deliver value to all stakeholders.

Lasaco Assurance urges customers with unresolved claims to come forward

LASACO ASSURANCE Plc has urged its customers, claimants, and stakeholders with unresolved claims to come forward with the necessary documentation to facilitate prompt settlements.

In a statement, the company reaffirmed its commitment to transparency, efficiency, and customer satisfaction, calling on individuals, businesses, and entities with pending claims under any of its insurance policies to act swiftly.

To ensure smooth processing, claimants are required to provide key documents where applicable, including the original copy of their insurance policy or certificate, other relevant documents supporting their claim, and valid identification such as a National ID, International Passport, or driver's license.

"Claimants can submit their documents in person at any of our branch offices or electronically via email. For guidance on document preparation or clarification, please reach out to us at info@lasacoassurance.com," the company stated.

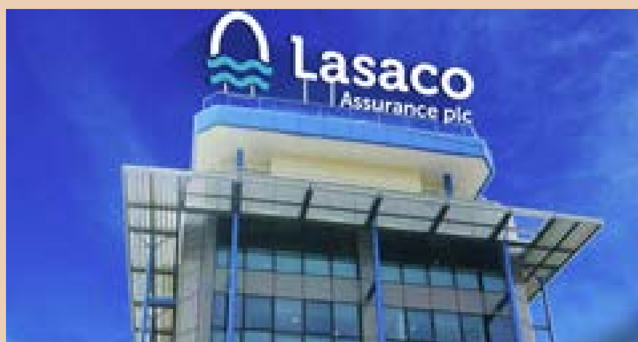
Lasaco highlighted that this initiative is part of its ongoing effort to uphold service excellence, aiming to resolve all valid claims without delay. "We appreciate your cooperation and patience as we work to address any outstanding claims," the statement added.

This call aligns with a recent directive by the National Insurance Commission (NAICOM), which mandated all insurance companies to clear outstanding claims by December 31, 2024. The directive aims to strengthen accountability and restore confidence in the insurance sector.

The announcement was made by Ebelechukwu Nwachukwu, Head of the Communication and Stakeholders Management Sub-committee of the Insurers Committee, following a meeting in Lagos.

Nwachukwu, who also serves as the Managing Director of Rex Insurance Ltd., conveyed that the Commissioner for Insurance had instructed CEOs to ensure that no unresolved claims remain in their financial records by the end of 2024.

"The regulator stressed the need for a thorough and targeted verification of outstanding claims to guarantee accuracy in insurers' records," Nwachukwu stated.



NHIA reports 40% rise in health insurance coverage in 2024

THE NATIONAL HEALTH INSURANCE AUTHORITY (NHIA) has recorded a notable 40 per cent increase in health insurance enrollment within this year alone, bringing the total number of insured Nigerians from 16.7 million to 19.2 million. This development surpasses the health insurance coverage goals set by the presidency for 2024.

Speaking at the end-of-year press briefing in Abuja, Kelechi Ohiri, the director general of NHIA, outlined the agency's progress and its vision for healthcare reform in Nigeria.

He disclosed that the authority aims to achieve a further 20 per cent growth in enrollment by 2025.

"Health insurance in Nigeria had remained stagnant for decades, with coverage at just seven per cent, largely limited to formal sector workers," Ohiri explained. He credited the National Health Insurance Act 2022 for laying the groundwork to extend healthcare access to more Nigerians, particularly those in vulnerable and informal sectors.

"The health insurance coverage rose by 40 per cent within the year, growing from 16.7 million to 19.2 million enrollees," he stated.

The director-general noted that the progress was achieved through partnerships with private insurers, State Health Insurance Agencies, and Health Maintenance Organisations. Despite these gains, he acknowledged challenges posed by the fragmented structure of health insurance providers, which currently includes 83 private insurers and 37 state agencies.

Ohiri stressed the importance of fostering trust among Nigerians to encourage broader participation. "It's essential that enrollees have confidence in receiving the care they're entitled to when insured," he said.

To address economic realities, NHIA adjusted financial provisions, raising capitation rates by 60 per cent and professional fees by 40 per cent. These adjustments are backed by actuarial studies to ensure that premiums reflect current market conditions.

As part of its strategy for 2025, the agency plans to integrate advanced technology into its operations to improve efficiency. Expanded services are also on the horizon, including comprehensive emergency obstetric and newborn care in over 100 facilities across the country. Furthermore, NHIA is collaborating with the National Pension Commission to provide health insurance coverage for retirees.

"Our goal is a healthcare system that ensures every Nigerian, regardless of their income level, has access to quality care," Ohiri stated, while also noting "this is about transforming health insurance from a scheme to a robust authority that puts the patient at the centre of all reforms."

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RESPONSIBILITY

Peter Joos

Professor of Accounting and Control

Lessons in Sustainability: Forging a Better Future

Why we need to embrace new approaches to research, teaching and learning.

The year 2023 was named the hottest on record, and 2024 is on track to be even warmer. We are already feeling the impact of the climate emergency, but the problem runs deeper. Climate change is just one symptom of our planet's health crisis. From resource depletion to social inequality, the challenges we face are interconnected and demand a comprehensive solution.

Beyond the endeavours of any one company or community, sustainability efforts must be coordinated and integrated into business if we hope to make a meaningful difference. To make a synchronised push for more resilient and just business practices that also deliver results, sustainability must be at the heart of business. We need new ways to understand sustainability and inventive methods to integrate it into research and teaching in business schools.

A new series, Lessons in Sustainability, looks at what this means in practice by exploring how sustainability features in the research and teaching activities of INSEAD's nine academic areas.

Changing attitudes

Recent years have seen a noticeable shift towards the creation of more sustainable products. This is not just a result of companies becoming more conscious of the need to do the right thing but is being driven by increased consumer demands for more responsible goods and services.

Marketing professor Amitava Chattopadhyay explained how research shows that more consumers now care about sustainability and are willing to pay for truly sustainable offerings. "Younger consumers, Gen Zs in particular, are more likely to express this opinion. And in the coming years, these more concerned consumers will come to dominate consumer spending. Thus, sustainability isn't something that is good to have but is necessary to have," he said.

As a result of this evolving demand, internal strategy and finance teams must make informed decisions that meet market needs. Understanding market failures, negative externalities and how policy will create and shape markets allows tomorrow's leaders to be better prepared to deliver value, according to Pushan Dutt, Professor of Economics.

This is a primary purpose of business. Long-term thinking can build significantly more value than prioritising short-term gains. Sustainability is therefore a central pillar of INSEAD courses, as today's decisions must also consider value in terms of future environmental outcomes, social justice and ethical matters.

"The 'why' [of sustainability] is evident as a path to build long-term prosperity," argued professor Manuel Sosa, Chair of Technology and Operations Management. However, as Sosa emphasised, "the 'how' [of sustainability] is more difficult." In his own work, Sosa examines product design decisions that account for the end of the product's life cycle in order to reduce waste and lay the foundation for a more circular supply chain.

Integrating sustainability

One thing is clear: sustainability is not the domain of any single department or function but must be fully integrated into all aspects of business. This has seen the boundaries of many academic areas expand and change.

For example, accounting and control must now measure and report on environmental and social externalities. This can be achieved through the design and implementation of impact-based accounting systems that consider green governance, alongside the valuation relevance of sustainability for capital market participants.

Business leaders must acquaint themselves with topics such as corporate purpose, the rise of stakeholder capitalism, and the link between mission, sustainability and financial performance. All of these aspects are incorporated into INSEAD's Sustainability Measurement and Reporting elective course, spearheaded by myself and accounting and control professor Hami Amiraslani.

In approaching financial decisions, business leaders need to think about sustainability as a non-traditional finance question. Considerations include how ESG (environmental, social and governance) assessments can penalise "bad" firms by increasing the cost of capital, shifting shareholders' and stakeholders' expectations from short- to long-run objectives, and how lower returns represent a cost that investors might be willing to shoulder to ensure a firm does good. Profit goals that conflict with governance objectives can threaten the firm's survival, making it essential to consider the impact of business models on society and the environment.

New executive education programmes, such as the Sustainability Leadership for Senior Executives online programme co-directed by finance professor Lucie Tepla and technology and operations management professor Atalay Atasu, have been developed to better equip leaders to understand and integrate these concepts into business frameworks.

The need for learning innovation

Chair of Organisational Behaviour, professor Stefan Thau, highlighted the increasing expectation by upcoming generations for organisations to balance economic growth with social considerations. These include ensuring fair working conditions, reducing inequalities and contributing to the safety of cities and communities.

Achieving these goals requires innovative thinking and teaching practices, which can be seen as both a challenge and an opportunity. One solution is using VR (virtual reality). For example, students can partake in an immersive learning experience by using a VR case study to discover the challenges faced by the leader of Fundação Maio Biodiversidade, a conservation organisation in Cape Verde, Africa.

It is also important to share examples of real-life innovation that are already making a positive difference. Case studies of organisations that have come up with new ways of working – such as "Enel's Innovability: Global Open Innovation and Sustainability" co-authored by strategy professor L. Felipe Monteiro – are a powerful teaching tool. An Ethics and Social Responsibility award winner at The Case Centre Awards and Competitions 2021, this case demonstrates how one of the world's largest power utilities companies has embraced innovation and sustainability to transform the energy sector.

The shift towards sustainability

The need to consider sustainability is now an economic reality. INSEAD is therefore preparing tomorrow's leaders for this by ensuring that sustainability is integrated into our core and elective courses.

"This is the first year sustainability is embedded into our MBA curriculum, putting INSEAD at the forefront of the transition to a more diverse and sustainable future," said INSEAD Dean Franciso Veloso.

"Bringing sustainability into the classroom and conducting rigorous research on sustainability can move the needle. When INSEAD alumni put the principles of sustainability into practice, they can create change," Veloso added, noting that the first cohort to have experienced INSEAD's new sustainability-integrated curriculum is about to graduate.

The fundamentals of business are changing. New, innovative ways of thinking and learning are required to deliver value in this shift. Even in the face of new challenges like climate change and conflict, business can and must meet the needs of our increasingly global society.

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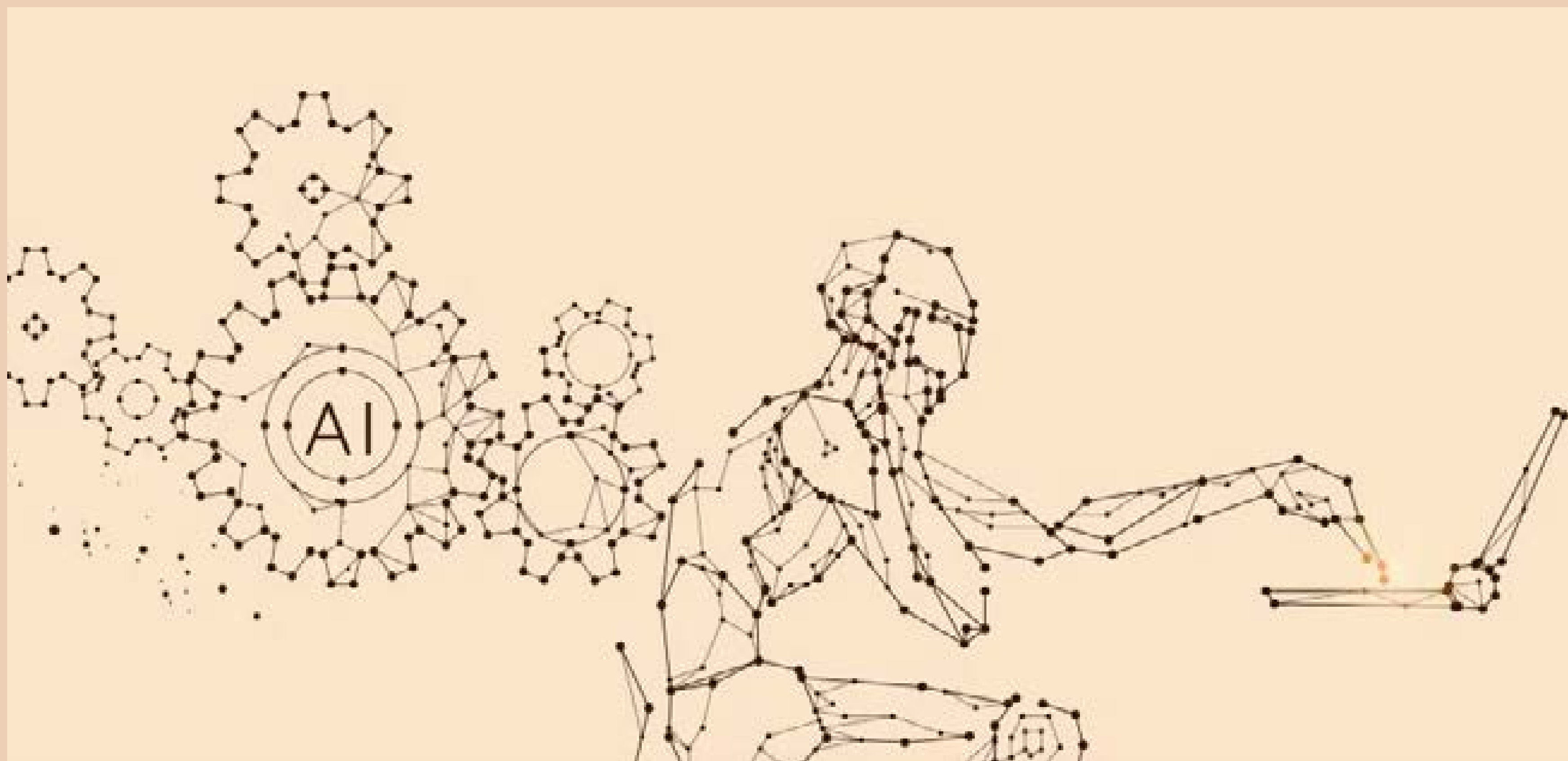


Decoding AI Adoption

HOW REGION, INDUSTRY and company size impacts open-weight AI use by developers.

Gemini, O1, Grok, Claude, Llama, Yi and Mistral. The number of Large Language Models (LLMs) seems to have grown exponentially since OpenAI's ChatGPT burst into the public consciousness in late 2022. It is estimated that US$154 billion was spent on AI by businesses in 2023, while the most recent McKinsey global survey on AI reveals that up to 65 percent of firms were regularly using generative AI (GenAI) in their operations. But beyond the hype and billion-dollar figures, it's still a little unclear where and how the technology is really being used.

Our research aimed to go beyond surveys of business managers and included real-world data on how AI is being adopted. To achieve this, we went to the source to analyse the activities of software developers and how they were interacting with some of the leading open-weight LLMs. These are freely available LLMs that can be accessed, modified and redistributed with minimal restrictions.

We found significant variations in the adoption of AI based on geography, company size and industry. Perhaps unsurprisingly, start-ups and technology firms were the largest users, with US companies way ahead when it comes to embracing the potential of AI. Educational institutions were another key locus of AI activity, with a particularly high adoption of Llama with this segment. What also emerged was the domination of United States, with Mark Zuckerberg's Llama and Elon Musk's Grok way ahead of other open-source LLMs in market share.

Open access data

Our search for concrete usage data led us to the popular developer platform GitHub, an important repository for AI code and other resources. This includes a number of notable open-weight LLMs such as Grok, Meta's Llama, Yi by the Chinese group 01.AI and Mistral by its eponymous French AI start-up.

The beauty of GitHub is the ability to identify which developers have downloaded ("forked") which LLM code to power AI applications, and therefore, offers insights into what LLMs are proving popular among developers. As developers are the one pushing technological boundaries it perhaps offers insights into AI trends.

Equally important, the open nature of GitHub also allowed us to identify a decent percentage of those developer's country of residence, employer sector and employer size. While not an exact science, our data provide a snapshot of how developers from different countries, company sizes and industries are adopting LLMs. We benchmarked AI adoption numbers against the use of TensorFlow, one of the most widely used machine learning developer tools released by Google back in 2015.

Industry and company differences in adoption

With AI adoption at a relatively early stage, we find significant variation across different sectors. As you can see from Table 1, technology firms lead the way (48.3 percent of forks), but the education industry also accounts for a relatively high percentage of adoptions of LLMs (26.3 percent).

The strong showing of educational institutions reflects the extent of research around LLMs and GenAI. At INSEAD we certainly see deep interest among our faculty and students to understand their capabilities and limitations. Given the extraordinary costs involved in developing modern LLMs, researchers benefit from the availability of these open-weight models rather than relying on the proprietary offerings from the likes of OpenAI and Anthropic.

We found a much lower uptake of LLMs in traditional sectors, especially those producing and selling physical goods – a reminder of the important role of tech and higher education in driving innovation in the economy.

We expected that smaller start-ups would be at the vanguard of open AI adoption. After all, they are traditionally more agile and therefore much quicker to adopt new technology than larger firms, especially if it might give them a significant market advantage. While start-ups do lead the way, there is considerable activity across all size categories. This contrasts with the TensorFlow benchmark where large companies are the biggest users by far.

Regional differences

Not surprisingly, North America was the dominant location for developer LLM activity on GitHub, with just over 50 percent of the forks originating from there. Nonetheless, the dominance in LLMs is less than TensorFlow, where North America has over 60 percentage of the forks. In Table 2, we highlight those geographical differences by breaking down our data by region.

While it was mostly consistent between regions, there were notable differences. Start-ups have the leading share of forks in every region except for North America, where the largest companies (those with over 10,000 employees) hold the leading share. This could well reflect the greater maturity of AI adoption in the US and Canada, where firms have had longer to get to know and understand the benefits this technology can bring to an organisation.

What is perhaps more striking is the domination of US LLM models. Llama has an outsized share across all the regions, with Grok firmly in second spot. Our data doesn't seem to suggest that developers express any regional loyalties towards local LLMs, such as Mistral in Europe.

Musk vs. Zuckerberg

Llama is clearly benefiting from their decision to embrace an open-weight strategy for their LLMs early on, starting with the release of the weights for Llama 2 in November 2023. Their leadership position also benefits from its backing by the Meta brand. As Merouane Debbah (distinguished AI researcher and leader of the team that developed Falcon LLM model in Abu Dhabi) puts it: "Developers need to have confidence in the staying power of an open model for them to build their applications on top of it."

With his Grok models, Musk is looking to challenge Meta for leadership in the open-weight segment, while also taking on former collaborator Sam Altman CEO at OpenAI. Since the release of Grok 2 in August 2023, Musk's xAI has adopted a hybrid strategy where its latest model remains private, though they publish the weights to their prior models.

It is interesting to note Grok's strong performance despite being late to the game, especially in China and the rest of the world. Its close association with X may help, as might the star appeal of Musk. It will be interesting to see if his new role in the US government will impact adoption levels in the future.

Beyond region, our data (see table 3) suggests other differences in the user base of these two models. Grok has a slightly heavier weight in the tech sector while Llama seems more popular among those in the education sector. Finally, Llama is slightly more popular among large organisations, while Grok is more associated with start-ups.

Musk, who described Grok as a maximum truth-seeking AI", has previously commented on his desire for tough regulations around AI. Meanwhile, Zuckerberg has made numerous statements about the need for open-source AI to become the industry standard. It will be interesting to see the impact of their LLMs going head-to-head on the future of the open-weight approach to GenAI.

Looking ahead

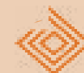
We are still in the early days of the development and adoption of LLMs – expect to be surprised! Divining the future is highly challenging given the intense competition among the top players, not to mention the pressures from geopolitical pressures. Will a more assertive Trump administration impact the ability of the US to dominate GenAI?

Our analysis, rooted in actions by real-life developers, provides insights into the current state of play. Importantly, it gives us a benchmark for future analysis and the opportunity to spot trends on developers' preferences for specific LLMs.

We are particularly interested in following the adoption dynamics behind open-weight models. Will they be able to compete effectively with fully proprietary models? Might Meta or xAI shift away from their commitment to open weights? Currently, they are facing restrictions from data access to cost, but they seem to have the greatest opportunities for significant innovation.

Co-founder of Near.ai and co-author of the landmark paper "Attention is all you need", Ilia Polosukhin states: "the future of AI should be open and accessible to everyone. As developers continue to push the boundaries of what's possible with this technology, permissionless accessible models will be the foundation upon which new breakthroughs are built."

The picture will undoubtedly change and develop over time. We hope that, this will allow us to further map adoption trends and provide better indicators of where we might be headed on this revolutionary AI journey.



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FINANCE & ACCOUNTING

The Future of Banking

Experts take a deep dive into the causes of the 2023 banking crisis and what future safeguards are needed for the stability of smaller banks.

ITAY GOLDSTEIN

Joel S. Ehrenkranz Family Professor, Professor of Finance, Professor of Economics, Chairperson, Finance Department

PROFESSOR ITAY GOLDSTEIN IS joined by Hyun Song Shin, economic adviser and head of research at the Bank for International Settlements, and Loretta Mester, former President and CEO of the Federal Reserve Bank of Cleveland. Together, they explore the 2023 banking crisis, focusing on the collapse of Credit Suisse, Silicon Valley Bank, and other small to mid-level banks, while analyzing regulatory gaps and future protections for the banking system.

This discussion is part of a special series called "Future of Finance."

Common Threads in Financial Crises

Itay Goldstein: In March of 2023, we had an unusual string of events in the global banking arena. Failures of institutions here in the United States — Silicon Valley Bank, Signature Bank of New York, and First Republic Bank. And the turmoil in Credit Suisse over in Europe. This was the biggest episode altogether since the Global Financial Crisis (GFC) of 2008, and it had a ripple effect on financial markets worldwide, financial institutions, and the global economy, with quick intervention from regulators in Europe and in the United States.

Looking now at the future of banking, we are looking into a new era with some new lessons that have been learned and some new policies that will be in place. I'm here with Hyun and Loretta to dive into these topics and learn some more, and talk about what we can expect going forward.

Let me get started by thinking about what happened in March of 2023. What were the causes of these events? Is there any common unifying theme? Is there any connection to the policies that were in place in the aftermath of the 2008 financial crisis? Hyun, why don't you get started?

Hyun Song Shin: Yes, Itay, Those are very good questions, and we can certainly learn lessons from what happened in the spring of 2023. In some ways, there are some classical lessons from the events both in the U.S. and in Europe, but in very important respects, the banking stress last spring was very unlike what we saw during the GFC.

The GFC was a major systemic banking crisis when many [highly] leveraged institutions were under stress on the funding side. The theme was very much on the wholesale funding of these large banks, and you may recall all the discussions about shadow banking, special purpose vehicles and so on.

It's important to bear in mind the macro backdrop. We had this burst of inflation in 2021, and so central banks raised rates in 2022. What that meant was that some of the securities holdings of banks lost value in a marked-to-market sense. But many of these securities were held on an ultra maturity basis, which meant that the losses needn't be recognized as they lose value.

In the case of SVB (Silicon Valley Bank), for example, there was already a very large increase in deposits, which were then put into these securities. But when you have a run, you do need to sell the assets, and that's when the losses would be realized. So, that was a particular feature of the macro environment at that time, but it wasn't a systemic crisis in the same way that the 2008 Global Financial Crisis was.

The story with Credit Suisse was somewhat different still, because this was a major, globally systemic banking institution. It wasn't a retail institution in the same way that some of the smaller banks were in the U.S. But what it saw was after a series of mishaps in its business, the stresses that were happening at that time meant that its wholesale creditors were similarly withdrawing their funding. And so, it was a slightly different episode, but it shares the same kinds of commonalities in the sense that it was a liability-side driven event that interacted with the asset side. That would be one way of putting it.

Goldstein: Thank you. And Loretta, some reflections from you?

The Vulnerabilities of Uninsured Deposits

Loretta Mester: Fundamentally, there were two key factors for SVB, and they were just doing very poor interest rate risk management. As Hyun said, the bank had tripled in size in a very short period of time in terms of its assets, and it was funding those securities with a very high proportion of uninsured deposits. Over 90% of its short term funding was uninsured deposits. So they were very vulnerable, and they weren't really managing that risk.

In fact, they leaned into that risk, because they moved securities into the [specific] maturity buckets on their balance sheet so they wouldn't have to mark them to market. They were also vulnerable in another way, in the sense that they had a very concentrated depositor base. So, a majority of their deposits came from firms that were in tech and venture capital. Of course, when venture capital [firms] got under, their activity started declining as interest rates increased. They found themselves in trouble, and they really weren't managing that risk at all.

But there was a second factor. We know banks are set up to lend long and borrow short, and so they are subject to interest rate risk, and it's up to them to manage the risk. We also have bank supervision, and supervisors are supposed to make sure that banks are managing their risks in a safe and sound manner so that they can continue to lend and serve their important roles for their customers. In this case, bank supervision also was very weak.

The Fed was responsible for much of this. The Fed didn't really understand the vulnerabilities of SVB, especially as the institution grew in size. Once the vulnerabilities were fully appreciated, the supervisors didn't act quickly enough and forcefully enough to get the SVB management to fix the problems they were having. So, it would be a combination of both poor interest rate management and risk management on the part of SVB.

Combined with [all that was] weak bank supervision, and that really wasn't done with speed and agility in a changing interest rate environment. So, when interest rates began rising and they rose aggressively, it revealed the vulnerabilities in that bank. Depositors woke up and said, "Oh, we have some concerns here." They were alerted to this fact because SVB tried to do a capital raise and had to sell assets to do that, and so they had to take those losses.

Then depositors started to run, and while it wasn't a systemic event at the moment, it did cause runs at other banks, such as First Republic and Signature Bank. There was concern that it would become a systemic event, and many large regional banks suffered in terms of depositors running. This may be indicative of [the fact that] we have not solved the too-big-to-fail [issue]. The deposits ran into very large banks, because the depositors believe that those banks would not be allowed to fail. So we have not solved that problem.

Coming out of the financial crisis, there were a lot of reforms done. The Dodd-Frank [Wall Street Reform and Consumer Protection Act of 2010] was to try to address the too-big-to-fail problem. This episode shows that that has not been adequately addressed. So, I agree with Hyun that there's there are lessons here, certainly [with respect to how] the regulators and the Federal Reserve do supervision and also regulatory changes. But here, I put more of the burden on the supervisory part of it, not the regulations themselves.

Takeaways for Monetary Policy Formulation

Goldstein: You both mentioned the connection to monetary policy, and Loretta, you said that there are lessons now going forward for supervision and regulation. But another question is, what are the lessons going forward for the way that the Fed is conducting monetary policy, to the extent that you can say something about that?

Mester: Remember, this all happened in early March [2023], and there was an FOMC (Federal Open Market Committee) meeting on March 22 of that year. At that meeting, the Fed persevered [with] its interest rate increase, so it did another increase of 25 basis points. We didn't allow the stresses in the banking system, per se, to deter from what needed to be done from a monetary policy point of view, given where inflation was. Inflation at the time was running above 5%, and it was clearly well above the goal of 2%, and unemployment was very low at the time.

So, of course, the obvious thing to do with your monetary policy is to tighten interest rates again. There was certainly a lot of focus on whether those stresses would become wider spread, and there was concern. If you recall, when SVB failed, the Fed also had to set up an emergency lending facility, the Bank Term Funding program, which allowed banks the faced liquidity issues to put the securities they were holding on their balance sheets at face value; they could actually put them at the Fed at fair value and borrow against them so they wouldn't have to sell them.

That program, combined with what the Treasury and FDIC (Federal Deposit Insurance Corporation) did for some of the banks, basically said, "We're going to make sure that all deposits are insured," that quelled the stresses. The FOMC felt that there was risk out there of continuing on its campaign of raising interest rates, but it was the right thing to do from a monetary policy point of view. And then we'd have to very, very be attuned to those risks.

You need a healthy banking system for two reasons. One, you want monetary policy, whatever you take on the policy front, to transmit through the broader economy when the financial markets aren't working. When they're disrupted, monetary policy won't transmit. But also, we wanted the banks to remain healthy and not pull back on all the credit extension, because they were actually helping to support the economy as well.

There was a lot of discussion about continuing to monitor [the prevailing situation], but [also] to persevere and put another interest rate increase in. [The Fed] likes to use regulation, supervision and macro prudential [policies] to the extent we have it in the U.S., to focus on financial stability and then have its monetary policy tools, interest rate increases, or asset purchases, and balance sheet policies really focused on the macro policy goals of full employment and price stability.

So, we were able to do that, but there was a lot of attention paid to [concerns that] we are taking some risk here, and you'd have to make an evaluation of whether you thought we could continue on that. And we were looking at that. The broader question, Itay, and maybe this is one that you were alluding to, was we were raising interest rates very quickly — unprecedented quickness in how we were having to raise interest rates. We had to do that, given where inflation was.

But no one felt that we would have preferred not to have to do that, let's put it that way. Monetary policy was so out of position for where it needed to be, given what was going on in the macro economy, that we had to do that. So, I think one of the lessons is, don't let your monetary policy get out of position. Always maintain it in a good position, which means always being attuned to the risk — upside risk, downside risks, inflation risks, and unemployment risk, so that you aren't in a position where you feel you have to really move quickly and with large increases or decreases, which can be hard for financial markets and institutions to handle.

Pointers for International Coordination

Goldstein: Yes, that's a very important lesson. Hyun, you sit in the Bank for International Settlements, and you think a lot about international coordination of financial regulation and supervision, and what happens with cross border transactions and international banks. To some extent what happened in March of 2023, a lot of it was concentrated in the U.S., but then we saw how the panic and sentiment spread

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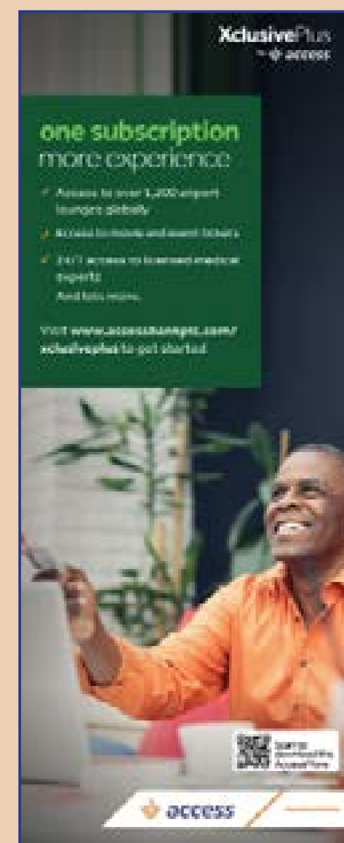
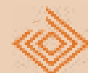




The Future of...

Continued from page 17

over and affected Credit Suisse in Switzerland, even though the fundamentals and the situation there was very different. What do you think are the lessons going forward for coordination at the international level?

Shin: Of course regulation is going to be a very important building block in any kind of financial stability framework. But let me just underline one thing that Loretta said, which I think is very, very important, which is that [along with] the regulation, supervision itself is going to be really the key.

What the events of last year showed was how important it is to get the basics of supervision right. So, the way you should think about the difference between regulation and supervision is regulations are the hard rules — the ratios, particular numbers, capital, liquidity, and so on. But the supervision really has to do with the business model. How coherent is it? How good is the risk management?

And as Loretta explained very well it was those business-model issues, the risk management issues, which really came to the fore. So, before we even go to regulation, we have to emphasize how important supervision is, and that's done at the national level. It's the national supervisors who are in the driving seat. Now, with the regulation, what will be important for the international forums like the Basel Committee would be when competition also becomes part of the discussion.

The very first Basel Capital Accord back in 1988 came about because of the consensus among all the supervisors that there needed to be a way to make sure that the internationally active banks who compete in various markets globally are competing on a level playing field. So no one jurisdiction is deviating very much from others in [a way] that one bank somehow has an advantage competitively.

So, it's a way to prevent this race to the bottom — or a potential race to the bottom — where, if the competition is unfair, then some banks may be at a greater advantage relative to other banks. That's really the role of the international coordination. This has been a very important piece in this international discussion. But it's very important to emphasize that it is the national supervisors who are in the driving seat. Whatever is discussed in the Basel Committee doesn't have the same legal force as something like an international treaty.

It's very much a discussion shop, and whatever is discussed is then implemented by the national authorities. To that extent, the lessons that we learned in March of last year are being actively discussed [along with ways of] strengthening at the level of national regulation.

Liquidity, clearly, is a very important part of this, and this is still very much in process at the moment. But the role of international discussions has to be to put in this broader context. There is a fairly limited role there in terms of coming up with specific recommendations, but it's very much a part of the consensus-building among the national supervisors.

Time to Revisit Deposit Insurance?

Goldstein: A different aspect of government intervention and government involvement, I would say, is deposit insurance. For many years, this was a very important part of addressing financial fragility and preventing crisis. We saw that deposit insurance was updated in the U.S. in 2008 following the beginning of the Global Financial Crisis. Since then, it hasn't been updated. But then in March of 2023, after the run on SVB and the beginning of runs in other banks, there was this shift to implying that everyone will be guaranteed, whether they are insured or not. And now there are discussions that maybe the policy should be updated, maybe there shouldn't be a limit, and maybe there should be some distinction on the limit on different kinds of deposits and different kind of accounts. Where do you think this is going?

Mester: Well, Itay, you're right, there are a lot of proposals out there. You want to have market discipline, working with bank supervision, and bank regulatory rules, including deposit insurance. I'm not sure — the first place I would go wouldn't necessarily be to just have a blanket increase in the cap on deposit insurance, which is $250,000 per depositor at this point. But there are things that are probably worth considering.

One thing is, is it smaller now than when it was set in 2008, because the economy has gotten bigger? There are people who think that you should adjust that, just on that ground. But I also think you want to think a little more thoughtfully about what would be the trade-off there, because someone has to pay for that higher level of deposit insurance. Right now, the banks pay fees, but if they're paying that, and they're covering that, then of course, they wouldn't be able to lend as much. So you have to think about whether that's the right approach.

One thing that became clear in this SVB situation was that a lot of their customers and firms, and even those of other regional banks, were really concerned that they wouldn't be able to pay their customers and, workers. So, there is an idea that you could distinguish business accounts and transactions accounts, from other kinds of deposits and have a special account and special deposit insurance for those, because those are really important for the functioning of the economy. But the whole idea of these is to try to make sure that depositors don't feel that they're in a situation that they have to run to be the first to take their money out of the bank.

Destigmatizing the Discount Window Option

The other approach, aside from deposit insurance, for the U.S. in particular, is have a discount window. The discount window is where the Federal Reserve, as a central bank, lends to healthy firms when they have temporary liquidity problems, as long as it's backed with good collateral.

In the case of the stresses in March 2023, it became very clear that the regional banks — not the ones that were on the way to failure, but the ones that were finding that it was hard to fund in the environment that we were in with the stress — were very reluctant to come to the discount window. They didn't really feel that they could without stigmatizing themselves. In other countries, their lending is not as stigmatized — in some of those countries it's not at all — compared to the U.S.

There's work going on at the Federal Reserve to try to make the discount window much more attractive in terms of making sure that banks know and are well positioned to be able to use it. So, for example, the legal documents and agreements have to be in place. There's a big campaign to make sure that firms, the banks, and institutions that are eligible to borrow at the discount window, have those already in place, that they have collateral already evaluated, so that they can borrow much more quickly than was the case during the stresses of March 2023.

That has been very worthwhile. [As for] the number of institutions — banks as well as credit unions who are eligible to borrow — is probably around 8,000. I think well over 5,000 institutions have those legal documents in place now. So, there's been work to try to do that. But ultimately, it's still a bit stigmatized. Even if banks are able to borrow, will they borrow?

So, there's work going on to try to maybe give it a carrot as well as a stick. So for example, include discount window contingent funding as part of the liquidity plans that banks have to submit as part of showing that they're doing safe and sound liquidity management. Or making sure that barring the discount window doesn't count against the bank in terms of their supervisory treatment.

So there's work going on to try to de-stigmatize the discount window and make it part of the plan for contingent funding that institutions have. That's very promising, and that may be as promising as any kind of reform of deposit insurance.

Goldstein: Hyun, did you want to add to that?

Shin: Yes, let me add that — as Loretta laid out very well — we have to think about the deposit insurance discussion within the broader context of liquidity risk for the bank, and how you would manage that liquidity risk. Simply focusing on deposits would not address, for example, some of the issues that banks faced during the GFC, when the problem was the wholesale funding market, and the run, if you like, on some of those banks were happening because some of the wholesale creditors were shrinking their exposure for their own risk management reasons.

It's more prudent behavior and more prudent lending on the part of the party that's shrinking that funding, but it looks like a run, if you're at the receiving end. So, the discussion about deposit insurance should be placed in this broader context of funding risk for the bank. And as Loretta laid out very well, a crucial part of that is the role of the central bank as the lender of last resort, and what it would take for the collateral framework, or the criteria and the rule book for the emergency funding from the central bank, to be done without the stigma issues that Loretta mentioned.

Banks as the Pillars of the Monetary System

Goldstein: I want to finish by thinking about the future of the banking system, and maybe give each one of you a minute to reflect on — are we going towards a different kind of financial system, a different kind of banking system? One thing that we see is more consolidation. As Loretta mentioned before, there was a run from the small banks to the large banks. So maybe we will have fewer and fewer smaller banks going forward.

Something else that comes to mind is digitization and the fact that digital deposits are much easier to withdraw, and maybe the liquidity that banks have is no longer adequate to deal with that. So, where are we going in terms of the future of the banking system?

Shin: Yes, Itay, maybe I can just kick off with a very quick point about the distinctive nature of banks. I mean, banks are distinctive, in that deposits are the main means of payment. So we execute payments by debiting the account of the sender and crediting the account to the receiver, and it's settled through the central bank's balance sheet. So in that respect banks are not only bringing in funding and lending — they're also essential for the monetary system to work.

What we've been doing, actually, at the BIS is to use some of the technological innovations. In particular, we have a project called Agora, which is about revamping correspondent banking by using tokenization. Tokenization is this idea that you can have claims being transferred on a programmable platform, and so you can build in contingencies and other features. If we look to the future, my sense is that we will be speaking more and more about the role of banks as the pillars of the monetary system as well as intermediaries that lend.

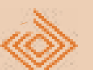
Mester: Yes; I don't disagree with that. But I'd also point out that we have these problems periodically that come up in the industry, and there are always people who say it's the end of the industry, and everything's going to become nonbank. Well, the banking industry has been around forever, and I think it will change. The regulatory supervisory structure will have to change in order to make sure that we have financial stability, which is crucial for a healthy economy. And the distribution of the size of banks is likely to change because of technological changes.

Some of my own research shows that the efficient size of a bank is much larger now than it used to be. But it doesn't mean that community banks won't stay and still do what they do best, which is lend to their local community. It will change over time. What I'm hoping is, in the U.S., we get a little bit of a simpler structure, because it's very different from that in a lot of other countries. But banks are becoming more and more important in terms of the payment system.

The Fed launched its instant payment system over a year ago, and it's being built up now in terms of more and more firms becoming customers of Fed now. That's where things are going, and technology can be very helpful to [enable] more efficient, more safe, and more sound banking. But it also shows that in the speed of the runs that occurred, it also can lead to more challenges. So we are in a very exciting time of change.

But fundamentally, if you think back to the stresses of March 2023, it wasn't a big esoteric thing that went on. It was just basic poor risk management and weak supervision. Those are things that we all have to take to heart. Whichever side you're on, if you're a bank, banker or a regulator/supervisor, we can do the basics better than we showed that we were doing in March 2023.

more than banking



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

PenCom eyes N22 trillion asset growth by Q1 2025 with tech-driven reforms

Stories by Joy Agwunobi

THE NATIONAL PENSION COMMISSION (PenCom) and the Pension Operators Association of Nigeria (PenOp) have pledged to leverage technology to boost pension assets to N22 trillion by the first quarter of 2025.

Speaking during a one-day media retreat organised by PenCom in Lagos, Omolola Oloworaran, the Director-General of PenCom, highlighted the commission's commitment to the Micro Pension Initiative. She emphasised the crucial role of technology in expanding the initiative and ensuring financial inclusion for individuals in the informal sector.

"We believe that no one should be excluded, regardless of their income level. Technology enables us to drive this inclusion through mobile enrollment, real-time account management, and efficient benefits administration. Our goal is to scale the micro-pension plan significantly," Oloworaran stated.

Oloworaran outlined significant strides in digitising pension operations, including the launch of the e-Application Portal for Pension Clearance Certificates (PCC) earlier this year. This digital system has replaced the manual application process, allowing companies to apply for and receive PCCs online seamlessly.

"Since its implementation, we have issued over 38,000 PCCs. This initiative has enhanced ease of doing business and ensured compliance. Additionally, the Pension Industry Shared Service Initiative is advancing, which will digitise contributions and remittances, eliminate discrepancies, and ensure seamless processing," she added. To further improve contributors' experiences, PenCom has introduced a revised program withdrawal template. This innovation simplifies access to voluntary contributions and adjusts the threshold for en-bloc payments to align with the new minimum wage.

"These measures are not just about policy improvements but about transforming lives. Meeting pensioners who live comfortably due to their savings or young entrepreneurs who join the micro-pension scheme motivates us to keep innovating," Oloworaran stated.

PenCom plans to rebrand the Micro Pension Initiative to better engage the informal sector, targeting 20 million contributors. Oloworaran disclosed that technology would be the backbone of this rebranding effort, ensuring seamless processes and accessibility.

She also revealed that eight states have fully complied with the provisions of the Contributory Pension Scheme (CPS), and the commission is actively engaging with other states to bring them on board.

To streamline pension remittances, PenCom and PenOp have engaged four Pension Service Solution Providers (PSSPs) which include : PayPen by Netline Limited; Paythru by Pethahiah Rehoboth International Ltd; Pension Central by Chams and Cyberpay by Cyberspace Ltd.

On his part, Oguche Agudah, chief executive officer of PenOp, revealed that his office is developing a technological system to engage firms known as Pension Service Solution Providers (PSSPs), ensuring that all pension payments made from April 1, 2025, follow this new model.

He explained that under this system, when employers make pension payments, the funds will go directly to the Retirement Savings Account (RSA) holders. Currently, PenOp has partnered with four PSSPs to implement a standardised remittance template, which will streamline the process.

Agudah emphasised that the new system will also include validation checks to address any issues of untraceable funds. "We want to ensure that every payment made is accurately tracked and accounted for," he said.

To prepare for the rollout, PenOp plans to conduct awareness campaigns before April 1, so employers are fully informed about how to make pension contributions directly through the bank, guaranteeing timely payments to RSA holders.

The move to engage PSSPs is aimed at creating a more transparent remittance process, improving tracking and reporting. According to Agudah, this enhanced transparency will build trust among all stakeholders, including employees, employers, and regulatory bodies. A robust pension system not only ensures the financial security of individuals but also contributes to economic stability by mobilising long-term savings for investment.

Agudah also outlined the rights of RSA holders in the new system, which include the right to timely remittance by employers, the option to choose a Pension Fund Administrator (PFA), and the right to access their RSA balance for specific purposes.

Additionally, they will be entitled to penalties if their contributions are not remitted on time. He urged employers to ensure that deducted contributions are remitted to the Pension Fund Custodian within seven working days of paying employees, noting that non-compliance could result in penalties of up to 2 per cent per month on the unpaid contributions.

Employers who meet the pension remittance requirements will be eligible for PenCom clearance Certificates, which are vital for participating in government contracts and other business opportunities. Agudah further advised employers to provide life insurance coverage for employees to offer additional financial security in the event of unforeseen circumstances.

Hope Uzodinma, governor, Imo State; with Chioma Uzodinma, first lady of Imo State, during the 2024 Imo State Christmas Carol, recently.

NAICOM identifies key areas that boosted insurance sector growth in 2024

AMID EVOLVING economic challenges and technological advancements, Nigeria's insurance sector is aligning efforts to strengthen its impact on the nation's economy. The National Insurance Commission (NAICOM) has recounted its priorities that enhance the sector's growth and improve its contributions to economic development in 2024.

These key focus areas were discussed during the Insurance Industry Consultative Council (IICC) Media Retreat held at the College of Insurance and Financial Management, Aseese, Ogun State. Olusegun Omosehin, the Commissioner for Insurance, represented by Julius Odidi, deputy director and head of NAICOM Lagos control office, highlighted the progress and challenges in the sector.

Omosehin, in his keynote address, highlighted the significant progress achieved by the Nigerian insurance sector under the leadership of the National Insurance Commission (NAICOM). He noted improvements in regulatory frameworks, increased awareness of the importance of insurance, and a stronger partnership with stakeholders.

He emphasised that in 2024, NAICOM, working closely with industry players, has focused on expanding access to affordable insurance products and services, particularly in underserved regions, through efforts to enhance financial inclusion. He also stressed the critical role of technology in transforming the insurance sector, improving operational efficiency, reducing turnaround times, and introducing innovative solutions to meet the evolving needs of customers and stakeholders.

Omosehin pointed out that regulatory oversight has been strengthened, with NAICOM enforcing policies to ensure transparency, accountability, and solvency, maintaining the stability and trustworthiness of the industry.

Omosehin further underscored NAICOM's commitment to ensuring full compliance with regulatory standards, stating that the Commission is determined to achieve 100 per cent adherence. He expressed confidence that this commitment would enhance the ease of doing business and drive the growth and development of insurance in Nigeria.

Despite the achievements recorded, he acknowledged the considerable work that remains in fostering widespread adoption of insurance. According to him, the challenge lies in making insurance a part of everyday life for all Nigerians, an area that requires sustained focus and strategic action.

Addressing journalists at the retreat, Omosehin emphasised the media's vital role in advancing the sector. He described journalists as essential partners in educating the public, debunking misconceptions, and fostering a culture of risk management. "As trusted voices in the community, the media has a unique ability to influence public attitudes towards insurance and highlight its importance in protecting lives, assets, and businesses," he added.

Heirs Insurance unveils Africa's first insurance-themed web series

HEIRS INSURANCE GROUP, ONE of Nigeria's leading insurance companies, is taking a fresh approach to connect with people with the launch of a unique web series, "The Underwriters".

Now streaming on its YouTube channel, the series is Africa's first insurance-themed drama, blending relatable storytelling with a powerful message about the importance of insurance.

The series is part of the Group's Unwrapping Smiles campaign, designed to elevate holiday experiences while aligning with the organisation's mission to demystify and simplify insurance.

The Underwriters takes a unique angle by addressing common misconceptions about insurance through an engaging narrative set in an urban corporate environment. The storyline revolves around a couple navigating the complexities of their relationship while managing real-world insurance cases. The series offers an entertaining yet educational perspective, highlighting the importance of insurance in safeguarding lives and assets.

This innovative project signifies a bold leap for both African entertainment and the insurance sector. Through relatable episodes, the series aims to strike a balance between education and entertainment, shedding light on insurance's pivotal role in everyday life.

As a testament to its commitment to transforming the industry, Heirs Insurance Group plans to release episodes of The Underwriters weekly on its YouTube channel, Heirs Insurance TV.

MARKET COMMENTARY FOR THE WEEK ENDED 27TH DECEMBER, 2024

Focus for the week: 2025 Macroeconomic Outlook - Little room for surprises

AMID EASING supply chains, commodity prices are expected to fall in 2025, providing tailwinds of growth in developing economies. Inflation could moderate, tailing pre-pandemic levels, barring shocks that could arise from renewed trade wars and geopolitical tensions. On the back of this, central banks in advanced economies could continue to cut policy interest rates,

supporting the labour market and consumption in their respective economies. This could trickle down to frontier and emerging markets as renewed foreign portfolio interests, as investors hunt for yields. While we acknowledge upside risks to US treasury yields in response to a Trump presidency, recent evidence suggests that trade wars are deflationary for global inflation.

African sovereigns could hang their monetary policy tools as inflation decelerates. Looser global financing conditions could allow external fundraising exercises as the continent approaches a wall of debt maturities. Kenya and Nigeria could refinance in 2024, many more could tap the international debt market in 2025.

Our macro-outlook on Nigeria remains mixed. The industrial sector is poised to grow at its fastest pace in 11 years, driven by the resurgence of the oil sector and the pick-up in domestic crude refining. The Services sector could continue to contribute significantly to output growth while the performance of the agricultural sector could determine inflation outturns. We opine that a lack of self-sufficiency in food production could keep inflation and rates elevated. While our twin FX valuation methodologies confirm unanimously that the Naira traded at undervalued levels in 2024, a catalyst is required to keep the currency close to its fair value in 2025. Thus, the apex bank could keep its tight noose on rates until macro fundamentals permit a pivot.

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,777.42	3,726.88	1.36	35.38
NGX All-Share Index	102,133.30	101,129.09	0.99	36.59
Market Cap (NGN bn)	57,774.84	57,206.78	0.99	41.19
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	26.24	26.37	(0.50)	23.33
182-Day T-Bill	24.95	25.07	(0.48)	19.52
364-Day T-Bill	26.50	26.64	(0.51)	16.30
2-Year FGN Bonds	20.61	20.46	0.70	8.46
3-Year FGN Bonds	20.10	20.07	0.14	7.95
5-Year FGN Bonds	21.18	21.16	0.09	7.88
7-Year FGN Bonds	21.97	21.95	0.10	8.17
10-Year FGN Bonds	18.09	18.09	0.04	3.59
20-Year FGN Bonds	17.72	17.71	0.02	3.52
INTERBANK MARKET RATES (%)				
NIBOR OPR	26.50	31.79	(5.29)	11.44
NGN EXCHANGE RATES (N)				
USD/NGN	1534.00	1541.68	0.50	(75.31)
GBP/NGN	1932.84	1942.52	0.50	(69.19)
EUR/NGN	1610.70	1618.76	0.50	(62.49)
CNY/NGN	214.76	215.84	0.50	(69.56)
ZAR/NGN	85.90	86.33	0.50	(75.14)
USD/NGN FORWARDS				
1M	1578.42	1581.39	0.19	(61.84)
3M	1638.96	1638.84	(0.01)	(64.84)
6M	1727.43	1720.67	(0.39)	(68.96)
1Y	1915.86	1895.16	(1.09)	(76.24)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	1,092.81	1.97%	21.80%
CONSUMER GOODS	1,706.62	3.13%	52.20%
INDUSTRIAL GOODS	3,565.69	0.09%	31.47%
OIL & GAS	2,709.99	-0.12%	159.81%
VETIVA 30 ETF	36.00	0.00%	33.33%

Weekly Top 5 Gainers

Stock	Closing Price (N)	% Change
IKEJAHOTEL	12.15	32.79%
MULTIVERSE	6.10	32.61%
PZ	29.00	26.09%
UNIVINSURE	0.35	25.00%
ROYALEX	0.91	24.66%

Weekly Top 5 Decliners

Stock	Closing Price (N)	% Change
THOMASWY	1.71	-10.00%
ARADEL	600.00	-9.64%
AUSTINLAZ	1.66	-9.29%
DAARCOMM	0.58	-6.45%
NEIMETH	1.90	-5.00%

Source: Vetiva Research

What shaped the past week?

Equities: The local market continued its Santa rally this week, adding another 99bps to the ASI, as most indexes closed up w/w. The ASI closed at 102,133.30 points (+99bps w/w), and the NGX 30 closed at 3777.42 points (+1.36% w/w). At the close of the week, the Insurance sector jumped 7.87% w/w, while other gainers were: Consumer Goods (+3.13% w/w), Banking (+1.97% w/w), and Industrial Goods (+9bps w/w) sectors. On the flip side, only the Oil & Gas sector closed down (-12bps w/w). On the stock gainers' charts, Insurance stocks dominated, although it was topped by IKEJAHOTEL with 32.79% w/w, then followed by MULTIVERSE (+32.61% w/w), PZ (+26.09% w/w), UNIVINSURE (+25.00% w/w), and ROYALEX (+24.66% w/w). On the decliners' chart, low-cap counters featured mostly except for ARADEL (-9.64% w/w) which dragged down the oil & gas sector. Other names were THOMASWY (-10.00% w/w), AUSTINLAZ (-9.29% w/w), DAARCOMM (-6.45% w/w), and NEIMETH (-5.00% w/w).

Fixed Income:

This week, system liquidity opened positive at ₦124 billion and went higher on Friday to ₦736 billion, on the back of FAAC inflows and maturing bills. As a result, the OPR closed the week at 26.50% (-529bps w/w), converging with the rate at the SLF window. The secondary market traded on a mixed note this week, with bullish sentiments seen on the shorter end of the market, while bearish sentiments were along the rest of the curve. For specifics, yields were as follows: 91-Day (-50bps w/w), 182-Day (-48bps w/w), 364-Day (-51bps w/w), 2-year (+70bps w/w), 5-year (+9bps w/w), 10-year (+4pbs w/w), and 20-year (+2bps w/w).

Currency: At the end of the week, the Naira appreciated by ₦7.64 w/w to close at ₦1,534.00 per dollar.

Domestic Economy: In 2024, Nigeria recorded a net foreign portfolio inflow of $3.1 billion (2023: $0.5 billion), lured by the carry trade appeal of local currency fixed-income assets. With yields on Open Market Operations (OMO) instruments averaging 30% since the end of Q3 '24, we have observed increased foreign portfolio inflows, taking advantage of these high yields. Should the apex bank continue to offer juicy yields, Nigeria could see more foreign portfolio inflows, especially as global central banks cut interest rates. Consequently, the Naira is likely to close the year within the N1,500 – N1,600 range at the foreign exchange market.

Global: Tech and growth stocks dragged Wall Street's main indexes lower on Friday, at the end of an upbeat holiday-shortened week that was driven by expectations around a traditionally strong period for markets. Early Friday morning, the Dow Jones Industrial Average fell 0.76% to 42,996.30 points, the S&P 500 lost 1.16%, to 5,967.60 points and the Nasdaq Composite dropped 1.77%, to 19,665.01 points. However, all three indexes were still set for weekly gains, having regained the losses of last week. Over in Europe, the STOXX 600 index clocked its first weekly advance in three on Friday, boosted by advancing healthcare and financial shares, capping off a holiday-shortened week. It gained 0.7% on Friday and gained about 1% in a week to close at 507.18 points. In the UK, the blue-chip FTSE 100 was up 0.2% on Friday, for a 0.7% weekly gain, to close at 8,149.78 points. Finally, in Asia, it was mostly bullish on Friday, with the Nikkei 225 gaining 1.80% to 40,281.16 points, the Hang Seng Index declining 0.04% to 20,090.46 points, and the Shanghai Composite jumped 2.07% to 3,400.14 points.

What will shape markets in the coming week?

Equity market: In the final week of the year, we expect mildly bullish sentiments across sectors, as investors take positions ahead of the new year. We also expect another week of lower trade volumes due to the New Year's holiday.

Fixed Income: Going into the final week of the year, we expect the current market sentiments, that is, preference for shorter term, higher yielding instruments to persist, even as traders close their books for the year.

MONEY Nuggets

TUNDE OYEDOYIN

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Review and reflect

LIKE IN ALMOST EVERY ASPECT of life, personal finance is an area where you must, of a necessity, take yearly stock. It's actually a no brainer to do. Among many reasons, one notable ancient Greek philosopher was even noted to have said "a life not worth examining isn't worth living."

As a matter of fact, reviewing your performance for 2024 is like a radio jingle I grew up hearing in the early seventies, which was after the Nigerian civil war. The jingle, "to keep Nigeria one is a task that must be done," was frequently relayed on radio for good reason. Taking a cue from that, doing a review of one's personal finance affairs in 2024 and taking notes of any lessons learnt is a task that must be done.

Before going any further, first things first, though. That's to wish all the readers of this newspaper and by extension, this column, a belated Merry Christmas and a prosperous New Year.

As I was saying, it's important to take time to review how you performed in the outgoing year. While doing the review, you'll also be reflecting as well. It's like going over the pictures and videos of your money affairs of 2024. Boy, oh boy! That may result in beating your chest with pride and saying, "yes , I did it, and I'm happy with that." You may find yourself getting excited that you saved ten thousand naira each and every month. Even if it was half of that amount for twelve consecutive months, it's still worth celebrating. Believe me when I say not many people have that impressive report card for 2024.

As an aside, reflective practice is something I first came across several years ago while reinventing myself on a course at Waltham Forest College.

Watch this. While doing the review, chances are that you'll also come across mistakes that took money out of your pocket. That can be very annoying, especially if what it cost you was more than the cost of a cup of Costa coffee or a lunch out at a restaurant in Ikeja or Surulere.

You're likely to also spot opportunities that you cashed on and those that were missed. They form the purpose and the benefits that come with reviewing and reflecting on your financial year. As you see things in "slow motion" and stare at the "pictures" of your performance, take notes and take the lessons in your strides. Even if the outlook reveals that you've made more mistakes than hitting home runs, you are still in a good place by the simple fact of knowing your result.

So, pop out the champagne over the weekend and big yourself up for making the effort to review, reflect and take notes. If wining isn't your thing, sitting in front of a big plate of pepper soup or a plate of pounded yam and egusi soup makes a ton of sense. But do ensure you do the review and that you also take notes.

Awkward way for a Cop to "feed my family"

This was the title of a Metro Newspaper report of December 10 (p.9). It stated that 44-year old sheriff's deputy, Shannon Lofland, who had served "with Colorado's Arapahoe's County Sheriff's Office for 21 years," had to quit "when her porn career was exposed."

Her reason for filming "half a dozen scenes over a month" was because: "I found a legal, lucrative means for providing support for my family," and "to save my home and feed my family." If only she had followed the path of her ex-colleagues who were working second jobs to "make extra money " in order to survive.

Perhaps, the former deputy didn't realise that you can't be a Sheriff by day and porn star by night.

Share Price List as @ Friday 27 December, 2024: The Nigerian Stock Exchange

COMPANY	PCLOSE	OPEN	HIGH	LOW	CLOSE	CHANGE	% CHANGE	TRADES	VOLUME	VALUE
ABBEYBDS	2.80	2.80	2.80	2.80	2.80	0.00	0.00 %	4	93,000	253,348
ABCTRANS	1.23	1.23	1.23	1.23	1.23	0.00	0.00 %	16	152,245	183,121
ACADEMY	3.00	3.00	3.00	3.00	3.00	0.00	0.00 %	3	30,105	90,316
ACCESSCORP	24.70	24.70	24.80	24.00	24.00	-0.70	-2.83%	857	35,438,468	871,318,900
AFRIPRUD	19.05	19.05	20.50	19.00	20.20	1.15	6.04 %	236	3,465,354	69,383,126
AIICO	1.50	1.50	1.52	1.36	1.49	-0.01	-0.67%	188	9,927,791	14,543,232
AIRTELAFRI	2156.90	2156.90	2156.90	2156.90	2156.90	0.00	0.00 %	37	79,592	188,826,387
ALEX	7.15	7.15	7.15	7.15	7.15	0.00	0.00 %	5	902	7,081
ARADEL	600.00	600.00	600.00	600.00	600.00	0.00	0.00 %	404	2,438,713	1,463,134,967
AUSTINLAZ	1.65	1.65	1.66	1.66	1.66	0.01	0.61 %	15	333,995	556,730
BERGER	18.00	18.00	18.50	18.50	18.50	0.50	2.78 %	23	523,242	9,673,638
BETAGLAS	59.00	59.00	59.00	59.00	59.00	0.00	0.00 %	14	2,785	163,661
BUACEMENT	93.00	93.00	93.00	93.00	93.00	0.00	0.00 %	111	1,221,097	113,468,356
BUAFOODS	394.90	394.90	394.90	394.90	394.90	0.00	0.00 %	79	26,201	9,483,604
CADBURY	21.30	21.30	23.00	21.00	23.00	1.70	7.98 %	94	877,356	18,889,325
CAP	38.00	38.00	38.00	38.00	38.00	0.00	0.00 %	22	429,747	16,943,743
CAVERTON	2.27	2.27	2.40	2.40	2.40	0.13	5.73 %	22	246,488	595,794
CHAMPION	4.18	4.18	4.18	4.18	4.18	0.00	0.00 %	20	194,139	755,644
CHAMS	1.98	1.98	2.00	1.95	2.00	0.02	1.01 %	112	8,801,657	17,364,873
CILEASING	3.82	3.82	3.84	3.80	3.80	-0.02	-0.52%	38	684,373	2,591,929
CONHALLPLC	2.80	2.80	2.86	2.62	2.86	0.06	2.14 %	53	2,233,099	6,248,893
CONOIL	387.20	387.20	387.20	387.20	387.20	0.00	0.00 %	82	1,175,695	411,599,479
CORNERST	3.27	3.27	3.27	3.27	3.27	0.00	0.00 %	22	201,522	642,045
CUSTODIAN	16.95	16.95	17.10	17.05	17.10	0.15	0.88 %	63	880,917	15,043,234
CUTIX	2.30	2.30	2.40	2.30	2.40	0.10	4.35 %	98	8,961,825	20,748,700
CWG	7.75	7.75	7.85	7.50	7.85	0.10	1.29 %	88	1,860,529	14,117,580
DAARCOMM	0.60	0.60	0.60	0.58	0.58	-0.02	-3.33%	25	1,839,968	1,095,297
DANGCEM	478.80	478.80	478.80	478.80	478.80	0.00	0.00 %	104	42,378	18,264,918
DANGSUGAR	34.05	34.05	34.05	34.05	34.05	0.00	0.00 %	179	643,063	21,854,106
DEAPCAP	1.15	1.15	1.16	1.16	1.16	0.01	0.87 %	15	411,513	474,755
ELLAHLAKES	3.15	3.15	3.23	3.10	3.15	0.00	0.00 %	83	6,767,413	21,268,568
ENAMELWA	19.30	19.30	19.30	19.30	19.30	0.00	0.00 %	3	147	2,793
ETERNA	30.00	30.00	28.50	28.50	28.50	-1.50	-5.00%	115	905,573	26,019,970
ETI	28.00	28.00	28.00	28.00	28.00	0.00	0.00 %	44	96,444	2,713,946
ETRANZACT	6.75	6.75	6.75	6.75	6.75	0.00	0.00 %	20	97,242	680,431
EUNISELL	19.27	19.27	19.27	19.27	19.27	0.00	0.00 %	3	431	7,478
FBNH	27.90	27.90	28.50	27.90	28.10	0.20	0.72 %	315	8,667,604	244,396,585
FCMB	9.35	9.35	9.50	9.40	9.50	0.15	1.60 %	164	6,755,794	64,072,545
FIDELITYBK	17.50	17.50	18.00	17.05	17.15	-0.35	-2.00%	278	8,651,981	148,974,056
FIDSON	14.00	14.00	15.00	14.35	15.00	1.00	7.14 %	75	1,311,326	19,447,408
FTNCOCOA	1.82	1.82	1.80	1.80	1.80	-0.02	-1.10%	38	1,134,398	2,052,638
GEREGU	1150.00	1150.00	1150.00	1150.00	1150.00	0.00	0.00 %	43	5,379	5,567,265
GOLDBREW	8.64	8.64	8.64	8.64	8.64	0.00	0.00 %	4	1,206	9,383
GTCO	57.95	57.95	58.00	57.00	57.00	-0.95	-1.64%	270	22,880,372	1,314,469,020
GUINLAINS	0.66	0.66	0.68	0.68	0.68	0.02	3.03 %	44	4,548,100	3,089,667
GUINNESS	67.00	67.00	67.00	67.00	67.00	0.00	0.00 %	42	215,297	15,663,856
HMCALL	4.75	4.75	4.80	4.78	4.78	0.03	0.63 %	33	818,201	3,934,473
HONYFLOUR	6.93	6.93	6.90	6.30	6.30	-0.63	-9.09%	251	6,020,964	39,736,449
IKEJAHOTEL	11.05	11.05	12.15	12.15	12.15	1.10	9.95 %	153	2,691,515	32,625,912
IMG	37.95	37.95	37.95	37.95	37.95	0.00	0.00 %	11	11,535	394,498
INFINITY	7.00	7.00	7.00	7.00	7.00	0.00	0.00 %	1	1	7
INTBREW	5.55	5.55	5.55	5.02	5.55	0.00	0.00 %	81	5,986,779	31,987,753
INTENEGINS	1.70	1.70	1.70	1.70	1.70	0.00	0.00 %	12	98,795	157,401
JAIZBANK	2.92	2.92	3.08	2.92	2.99	0.07	2.40 %	233	19,243,046	57,205,219
JAPAULGOLD	2.19	2.19	2.19	2.16	2.19	0.00	0.00 %	154	14,381,667	31,198,940
JBERGER	155.25	155.25	155.25	155.25	155.25	0.00	0.00 %	50	275,882	40,271,993
JOHNHOLT	6.45	6.45	7.09	7.09	7.09	0.64	9.92 %	19	193,773	1,355,295
JULI	10.30	10.30	10.30	10.30	10.30	0.00	0.00 %	25	10,652	106,171
LASACO	2.80	2.80	2.81	2.81	2.81	0.01	0.36 %	21	3,340,023	9,385,846
LEARNAFRCA	3.96	3.96	4.35	4.35	4.35	0.39	9.85 %	19	2,666,365	11,590,380
LINKASSURE	1.08	1.08	1.08	1.05	1.08	0.00	0.00 %	32	3,262,544	3,499,556
LIVESTOCK	3.80	3.80	4.15	3.80	3.90	0.10	2.63 %	115	3,436,771	13,591,883
LIVINGTRUST	3.63	3.63	3.63	3.63	3.63	0.00	0.00 %	3	547	2,133
MANSARD	8.60	8.60	8.80	8.33	8.50	-0.10	-1.16%	150	7,547,762	63,963,103
MAYBAKER	8.55	8.55	9.40	9.40	9.40	0.85	9.94 %	71	986,212	8,842,506
MCNICHOLS	1.54	1.54	1.61	1.61	1.61	0.07	4.55 %	18	414,450	661,495
MECURE	11.45	11.45	11.50	11.50	11.50	0.05	0.44 %	41	2,924,820	33,214,960
MEYER	7.67	7.67	7.67	7.67	7.67	0.00	0.00 %	14	51,145	428,055
MORISON	4.01	4.01	4.01	4.01	4.01	0.00	0.00 %	4	4,900	19,107
MRS	217.80	217.80	217.80	217.80	217.80	0.00	0.00 %	202	349,344	83,359,814
MTNN	194.00	194.00	194.00	194.00	194.00	0.00	0.00 %	730	2,132,416	435,140,170
MULTIVERSE	5.55	6.05	6.10	6.05	6.10	0.55	9.91 %	37	982,546	5,964,785
NAHCO	46.05	46.05	46.05	46.05	46.05	0.00	0.00 %	118	893,955	39,571,731
NASCON	31.00	31.00	31.00	31.00	31.00	0.00	0.00 %	75	527,914	16,143,777
NB	32.50	32.50	32.50	32.50	32.50	0.00	0.00 %	118	8,634,546	280,511,477
NCR	4.73	4.73	4.73	4.73	4.73	0.00	0.00 %	1	4	20
NEIMETH	2.01	2.01	2.01	1.90	1.90	-0.11	-5.47%	49	1,020,887	2,032,922
NEM	11.00	11.00	11.00	11.00	11.00	0.00	0.00 %	48	294,080	3,333,135
NESTLE	875.00	875.00	875.00	875.00	875.00	0.00	0.00 %	98	27,861	24,643,431
NGXGROUP	30.00	30.00	30.00	30.00	30.00	0.00	0.00 %	30	508,372	15,218,056
NIDF	111.70	111.70	111.70	111.70	111.70	0.00	0.00 %	28	22,417	2,506,060
NNFM	43.90	43.90	43.90	43.90	43.90	0.00	0.00 %	35	332,999	14,948,586
NPFMCRFBK	1.60	1.60	1.63	1.60	1.63	0.03	1.87 %	45	6,480,210	10,398,956
NSLTECH	0.58	0.58	0.63	0.63	0.63	0.05	8.62 %	28	563,080	345,645
OANDO	65.80	65.80	68.00	66.05	67.35	1.55	2.36 %	436	12,667,874	856,719,970
OKOMUOIL	403.70	403.70	403.70	403.70	403.70	0.00	0.00 %	99	106,751	46,197,565
OMATEK	0.65	0.65	0.68	0.67	0.68	0.03	4.62 %	26	1,957,626	1,319,837
PRESCO	475.00	475.00	475.00	475.00	475.00	0.00	0.00 %	88	46,988	22,170,037
PRESTIGE	0.95	0.95	1.00	0.93	1.00	0.05	5.26 %	76	12,406,814	11,990,058
PZ	26.50	26.50	29.00	28.50	29.00	2.50	9.43 %	64	1,197,429	33,774,718
REDSTAREX	4.41	4.41	4.41	4.41	4.41	0.00	0.00 %	5	4,350	20,899
REGALINS	0.70	0.70	0.70	0.64	0.70	0.00	0.00 %	44	1,171,200	795,938
ROYALEX	0.85	0.85	0.93	0.78	0.91	0.06	7.06 %	68	3,865,327	3,315,872
RTBRISCOE	2.65	2.65	2.65	2.50	2.50	-0.15	-5.66%	55	1,725,427	4,450,155
SCOA	2.06	2.06	2.06	2.06	2.06	0.00	0.00 %	1	106	240
SEPLAT	5700.00	5700.00	5700.00	5700.00	5700.00	0.00	0.00 %	76	600,754	3,081,868,020
SFSREIT	179.45	179.45	179.45	179.45	179.45	0.00	0.00 %	10	1,985	379,924
SKYAVN	30.70	30.70	33.75	33.75	33.75	3.05	9.93 %	31	199,550	6,632,274
SOVRENINS	0.90	0.90	0.93	0.90	0.93	0.03	3.33 %	37	4,276,620	3,863,926
STANBIC	59.00	59.00	60.00	60.00	60.00	1.00	1.69 %	67	228,912	13,662,847
STERLINGNG	5.85	5.85	6.41	5.65	5.65	-0.20	-3.42%	258	11,069,101	66,259,970
SUNUASSUR	8.23	8.23	8.99	8.90	8.99	0.76	9.23 %	48	805,841	6,909,437
TANTALIZER	1.80	1.80	1.72	1.70	1.72	-0.08	-4.44%	55	1,416,084	2,428,241
THOMASWY	1.71	1.71	1.71	1.71	1.71	0.00	0.00 %	3	3,500	5,961
TIP	2.31	2.31	2.50	2.25	2.50	0.19	8.23 %	38	2,382,669	5,749,283
TOTAL	673.90	673.90	673.90	673.90	673.90	0.00	0.00 %	61	97,582	64,410,437
TRANSCOHOT	116.00	116.00	116.00	116.00	116.00	0.00	0.00 %	47	70,362	7,670,469
TRANSCORP	43.25	43.25	43.30	43.25	43.30	0.05	0.12 %	217	1,586,008	68,894,636
TRANSPOWER	359.90	359.90	359.90	359.90	359.90	0.00	0.00 %	71	2,019,292	654,250,608
TRIPPLEG	1.87	1.87	1.87	1.87	1.87	0.00	0.00 %	14	114,650	229,550
UACN	30.50	30.50	33.55	30.20	30.20	-0.30	-0.98%	151	4,558,542	141,196,811
UBA	36.00	36.00	36.90	34.55	34.55	-1.45	-4.03%	838	41,725,785	1,475,224,275
UCAP	19.70	19.70	21.30	20.00	20.20	0.50	2.54 %	399	13,159,352	270,898,662
UHOMREIT	36.60	36.60	36.60	36.60	36.60	0.00	0.00 %	2	453	16,503
UNILEVER	30.00	30.00	30.00	30.00	30.00	0.00	0.00 %	58	56,805	1,748,493
UNIONDICON	8.00	8.00	8.00	8.00	8.00	0.00	0.00 %	2	34	245
UNIVINSURE	0.50	0.50	0.55	0.48	0.55	0.05	10.00 %	122	16,530,652	8,934,071
UPDC	1.50	1.50	1.49	1.48	1.48	-0.02	-1.33%	59	2,726,661	4,045,876
UPDCREIT	5.00	5.00	5.00	5.00	5.00	0.00	0.00 %	50	994,966	4,973,943
UPL	3.50	3.50	3.85	3.85	3.85	0.35	10.00 %	5	147,200	560,039
VERITASKAP	1.38	1.38	1.44	1.31	1.44	0.06	4.35 %	100	14,090,976	19,692,236
VFDGROUP	44.40	44.40	44.40	44.40	44.40	0.00	0.00 %	21	50,569	2,022,760
VITAFOAM	23.90	23.90	23.90	23.90	23.90	0.00	0.00 %	114	923,093	21,102,037
WAPCO	69.00	69.00	69.00	69.00	69.00	0.00	0.00 %	146	833,515	55,730,159
WAPIC	1.70	1.70	1.87	1.70	1.87	0.17	10.00 %	64	2,461,217	4,448,881
WEMABANK	9.00	9.00	9.10	8.80	9.05	0.05	0.56 %	236	9,792,020	87,112,410
ZENITHBANK	46.00	46.00	47.00	44.50	45.95	-0.05	-0.11%	466	33,262,520	1,531,159,753
							Total	12,551	451,732,608	17,487,882,111

Tinubu's N826.5bn agriculture allocation increase fails to meet sustainability demands

Stories by Onome Amuge

PRESIDENT BOLA TINUBU recently proposed a budget of N47.965 trillion for 2025, tagged, "Budget of Restoration: Securing Peace, Rebuilding Prosperity."

The proposed budget earmarks N826.5 billion for the agricultural sector, representing over a 100 per cent increase from the N362.94 billion allocated in 2024 and the N228.4 billion allocated in 2023.

The increased allocation, according to the president, is geared towards boosting food security and economic diversification in Nigeria, underscoring the government's renewed focus on the agricultural sector as a key driver of economic growth and stability.

"Food security is non-negotiable. In this regard, we are taking bold steps to ensure that every Nigerian can feed conveniently, and none of our citizens will have to go to bed hungry," Tinubu stated in his presentation to the National Assembly.

However, concerns have been raised regarding the current administration's ability to deliver on its commitments to the agricultural sector, with analysts and stakeholders voicing doubts about the government's capacity to effectively deploy the allocated N826.5 billion.

While the proposed allocation to the agricultural sector is a promising development, the lingering scepticism among experts suggests that more must be done to address underlying issues and build confidence in the government's ability to achieve its stated goals in this critical sector.

An analysis of the proposed budget allocation indicated that once again, the agricultural sector has found itself relegated to a footnote in the national budget, as the administration's proposed allocation of 1.73 per cent of the 2025 budget reflects the government's struggle to give the sector the attention it deserves.

Despite food security being a central component of President Tinubu's election promises, even the infamous 'agbado' gaffe during the campaign period has not resulted in a significant allocation to the sector.

Moreso, the proposed 2025 budget allocation to agriculture has also called into question the Nigerian government's commitment to the agricultural sector and food security. Critics argue that the budget falls short of the country's commitment to the Maputo Declaration of 2003, where African nations pledged to allocate at least 10 per cent of their annual budgets to agriculture and rural development.

For 22 consecutive years since the declaration, Nigeria has failed to meet this target, with the 2025 budget continuing this trend.

According to Adetiloye Aiyeola, the chief visionary officer of Awesome Continental Natural Foods & Farm, Tinubu's proposed agricultural budget for 2025 falls short of the Maputo declaration's mandate for a 10 per cent allocation of the country's budget to agriculture.

Aiyeola, who voiced his opinion on Business Edge, a television programme monitored by Business a.m., asserted that the allocation would be insufficient to boost the development of Nigeria's agro-industrial sector.

Despite being critical of the government's lack of compliance with the Maputo Declaration's 10 per cent allocation for agriculture, the food production expert acknowledged the administration's effort to increase funding to the sector.

Aiyeola commended the government for increasing the agriculture budget by 100 per cent from 2024 levels, including a 130 per cent increase in capital allocation compared to the previous year, a significant boost in funding for the agricultural sector.

Aiyeola, while welcoming the increase in the agricultural budget, emphasised that the allocation was still insufficient to truly transform the sector. He added that spending wisely and prudently is more important than increasing spending.

In particular, he stressed the importance of investing in post-harvest operations, which is essential for preserving and processing agricultural products efficiently.

Aiyeola also emphasised the essential role agriculture plays in Nigeria's economy and its potential for wealth creation, stating that expanding the agro-industrial base could significantly boost the country's economic development.

He noted that agriculture not only provides employment opportunities for over 70 per cent of Nigeria's workforce, particularly in rural areas but also contributes substantially to the country's GDP. Therefore, according to Aiyeola, it is crucial to prioritise and allocate adequate resources to the agriculture sector to harness its potential and ensure sustainable growth for the nation.

He stated: "I look forward to a Nigeria where the government and all stakeholders involved can pull their weight to ensure that we have a more industrialised agricultural system, Nigeria can escape poverty by doing that.

"Food security and agriculture encompass more than just farming; they also involve the development of trade, roads to markets, distribution networks, storage, logistics, and infrastructure.

"Even if the 2% allotted is a considerable increase over the budget from the previous year, I do not believe it will bring us to the Promised Land where no citizen would ever go hungry. I believe there is still a great deal of work to be done."

To ensure that the agricultural sector is not left behind in the drive for industrialisation, Aiyeola proposed that the government should provide incentives for investments in agro-processing, agro-allied industries, and agribusiness ventures, to boost the value-added potential of the sector and enhance the country's competitiveness in international markets.

African Farmer Mogaji, former chairman of Agriculture & Agro-Allied Group, also shared his views on the budgetary allocation for agriculture in the 2025 Appropriation Bill.

Mogaji expressed his enthusiasm over the significant increase in the allocation for agriculture, which he said has been welcomed by agricultural stakeholders. However, he noted that the increment still falls short of the 10 per cent commitment as enshrined in the Maputo Declaration, which African countries, including Nigeria, signed in 2003, agreeing to allocate at least 10 per cent of their national budgets to agriculture.

Mogaji underscored the need for Nigeria to follow the lead of other African countries that have successfully implemented the 10 per cent budgetary allocation for agriculture, highlighting that they have made more significant improvements in agricultural development compared to Nigeria.

While acknowledging that the current allocation is still a positive step in the right direction, Mogaji emphasised that until Nigeria allocates at least five per cent of its budget to agriculture, the country will not be able to achieve the level of agricultural growth and development necessary to sustainably boost food security.

Mogaji commended the government's commitment to supporting agriculture, evidenced by the increased budgetary allocation. In his words: "Well, with this budget, it shows that the government is putting the money where their mouth is. I have been privileged to engage at the highest level of operators in the agricultural sector. From this government, I see a sincerity of heart to get things done.

"Many people have engaged personally with the minister and he not just listens, but he also acts. We've seen a few of the directors in the ministry also having the same language and body language. So I'm hoping that this will be sustained. I'm hoping, if this is sustained, then we would see a transformation."

The agricultural expert further highlighted the necessity of including private sector players in the implementation and monitoring of the agricultural budget.

According to him, the government must tap into the expertise of private sector stakeholders, as they should not only be involved in the monitoring and evaluation of the budget but also its implementation.

Despite acknowledging the current difficulties in the agricultural sector, Mogaji remained optimistic that a combination of government sincerity, private sector commitment, and the efforts of patriotic individuals could help stabilise food prices by the middle of 2025.

Meanwhile, the Nigerian Association of Agricultural Economists (NAAE) commended the federal government for its increased focus on agriculture in the 2025 Appropriation Bill.

Christopher Eze, the NAAE national president, affirmed the association's positive assessment of the proposed budget allocation to the agriculture sector during an interview with reporters in Owerri.

Eze pointed out that the combined allocation of N155.36 billion for recurrent expenditure and N242.50 billion for capital expenditure under the ministry demonstrated a solid commitment by the government to strengthen the country's agricultural sector.

"This allocation underscores the Federal Government's recognition of agriculture as a cornerstone for national food security, economic diversification, and rural development.

"Notably, the budget's capital expenditure for agriculture signifies a progressive move toward boosting infrastructure, enhancing research, and promoting sustainable practices in the sector," he stated.

While commending the government for prioritising agriculture in its budget, NAAE urged the administration to exercise prudence and accountability in the implementation of the allocation.

The association pointed out the need for effective utilisation of the allocated funds, stressing that priority should be given to initiatives that directly impact smallholder farmers, reduce post-harvest losses, and strengthen value chains for key food crops.

The NAAE also brought to the fore the importance of maintaining transparency and accountability in the distribution of resources to ensure that all stakeholders, particularly those in rural and marginalised regions, benefit from the increased budgetary allocation.

Oil markets rally amid decline in US crude reserves

THE OIL MARKET WRAPPED up the week on a positive note, as oil prices climbed after the latest inventory data revealed a larger-than-anticipated decline in U.S. crude stockpiles.

At the close of the week, Brent Oil Futures, a global benchmark for crude oil prices, rose by 1.2 percent, finishing at $74.17 per barrel. Similarly, the U.S. crude benchmark, Crude Oil WTI Futures, closed higher at $70.60 a barrel

The holiday season typically leads to thin trading volumes, with many institutional investors and traders stepping away from the markets to enjoy the festive period.

The year-end period often sees traders engage in profit-taking, selling positions to secure profits before the new year, and portfolio rebalancing, adjusting their holdings to align with their target asset allocations.

The U.S. Energy Information Administration (EIA) in its weekly crude oil inventory report, indicated that crude stockpiles had decreased by 4.2 million barrels in the week ending December 20.

This drawdown in inventories is significantly greater than the anticipated decline of 700,000 barrels, suggesting a tightening of supply in the U.S. crude oil market. This, in turn, has implications for global oil prices, which had already been supported by the American Petroleum Institute (API) report earlier in the week.

Despite upward revisions in economic growth projections for China by the World Bank for the years 2024 and 2025, lingering concerns about household and business confidence, as well as challenges in the property sector, are expected to impede economic growth in the coming year.

This outlook presents a challenging backdrop for global oil demand, as hopes for China, the world's top oil importer, to revive its economy are vital to counter concerns of potential oversupply.

Non-OPEC countries are expected to increase their oil production, leading to an uncertain and dynamic environment for oil markets.

Global commodities set for bearish trend in 2025 outlook

Stories by Onome Amuge

THE GLOBAL COMMODITIES market experienced volatility in 2024, driven by a complex array of factors including geopolitical tensions, the U.S. presidential election outcome, and weakened demand from China.

However, analysts predict that many commodities may see a downward trend in 2025, with relatively balanced supply and demand dynamics.

While the potential escalation of trade tensions remains a risk factor, markets are also closely monitoring the potential impact of Chinese support measures on commodity prices.

ING analysts in an overview of the 2024 global commodities landscape stated, "We came into 2024 with a cautiously optimistic view on the commodities complex, and looking at the complex as a whole we think this has turned out to be the right view. The S&P GSCI index is basically flat on the year.

There are some commodities that have performed well this year as central banks have embarked on their easing cycle. It's for this reason – along with the geopolitical environment – that precious metals have been the best performing part of the complex, with gold hitting record levels repeatedly this year. Industrial metals started the year on a strong footing, but this rally has run out of steam and it's clear that short-term fundamentals remain bearish."

The ING analysts observed that the price dynamics in the oil market have been unusual, with prices falling despite heightened geopolitical tensions in the Middle East. Meanwhile, gas markets have strengthened due to various supply risks facing Europe.

In the agricultural sector, grain prices have been trending downward, largely due to comfortable supply levels. However, the prices of soft commodities such as cocoa, coffee, and sugar have been more volatile due to weather-related concerns.

According to the projections of analysts at Economist Intelligence Unit (EIU), the prices of agricultural

L-R: Nnenna Ajanwachukwu, vice president, transport ecosystem, industry ecosystem and platform, Interswitch Group; Jamiu Ijaodola, chief executive officer, Eventhive; Chinyere Don-Okhuofu, managing director, industry ecosystem and platforms, Interswitch Group and Olawale Akanbi, divisional head, growth marketing, merchants and ecosystems, Interswitch at the Lagos Transport Fest event recently held in Lagos

commodities are forecasted to follow a general downward trajectory in 2025-2026.

The Food, Feedstuffs, and Beverages (FFB) index, which tracks the prices of agricultural commodities, is expected to decline from its Q4'24 levels, signaling a continued downward trend in the prices of these commodities.

In addition to their projections for the FFB Index, analysts at EIU have also provided detailed forecasts for specific agricultural commodities:

Beverage prices: While expected to remain high in the first half of 2025, beverage prices are predicted to experience a sharp decline in the second half of 2025 and throughout 2026.

Oilseeds prices: Oilseeds prices are projected to remain elevated throughout 2025-2026, with palm oil prices continuing to rise.

Sugar prices: Sugar prices are forecasted to decrease from the second quarter of 2025, due to a strong supply surplus.

EIU analysts predict that the prices of industrial raw materials (IRM) will continue to rise in 2025-2026, with base metals prices picking up strongly at an estimated 7.5 percent increase in 2025, up from a 5.4 percent increase in 2024.

Tin prices are projected to be strengthened by renewed demand for electronics on a global scale, while copper and aluminum prices are expected to rise due to falling interest rates and increased global construction activity.

Following sharp declines in 2023, analysts at EIU anticipate that other critical minerals, such as lithium, cobalt, and graphite, will rebound in 2025.

However, the analysts also caution that gains in these minerals' prices could be tempered due to the potential negative impact of Donald Trump's policies on the United States' green energy transition. This, in turn, could limit demand for these minerals, which are essential components in the production of renewable energy technologies.

For precious metals, ING commodity analysts believe that gold will hit new record highs in 2025. This is as central banks are set to continue to ease monetary policy, and there could be a move to safe haven assets due to an escalation in trade tensions.

They noted further that the outlook for industrial metals looks somewhat cloudy, with trade frictions and potential changes to the Inflation Reduction Act in the US weighing on metals.

"Overall, we hold a somewhat bearish view on large parts of the commodities complex for 2025 on the back of relatively comfortable fundamentals, while expectations of a stronger USD should also provide some headwinds. In addition, external risks facing markets appear to be skewed to the downside," they added.

Nigeria's export outlook

According to analysts at Financial Derivatives Company (FDC), the outlook for Nigeria's major export commodities, including crude oil, natural gas, and cocoa, is expected to be a mixed bag in 2025.

Each of these commodities is likely to face unique challenges and opportunities that will shape their prices and demand in the international market, resulting in varying outcomes for the Nigerian economy as it relies heavily on these exports.

According to FDC's analysis, the price of natural gas is expected to remain high until early 2025, with an average price of $3.2 per million British thermal units (mmBtu) in 2025, which is 46 percent higher than the projected price of $2.1 per mmBtu in 2024.

FDC noted that crude oil prices will average slightly above US$75 per barrel in 2025, supported by geopolitical tensions, steady global demand (particularly from North America and developing markets), and ongoing production quotas and voluntary cuts implemented by OPEC+, which will maintain a limited supply of crude oil until at least April 2025.

The price of cocoa is expected to decline to an average of $6,450 per tonne in 2025, down from the estimated price of $7,270 per tonne in 2024.

The decline in price is attributed to rising demand for cocoa and the impact of the La Niña weather cycle on output, resulting in lower production levels.

However, despite the decline, the projected price of $6,450 per tonne remains extremely high by historical standards, indicating that cocoa prices will still remain lucrative for producers.

Nigeria's import outlook

Nigeria, a major importer of grains such as wheat and maize, is expected to witness a five percent decline in grain prices in 2025, driven by increasing global grain supplies.

This decline is further fueled by a projected two percent drop in wheat prices and a one percent decrease in maize prices, with ample global supply and slow consumption growth exerting downward pressure on grain prices as a whole.

In Nigeria, where sugar is also a major imported food commodity, sugar prices are projected to drop by 4.2 percent in 2025, following an estimated decline of 11.5 percent in 2024.

This decrease is attributed to the higher sugar exports from Brazil in the 2024/25 season, resulting in a substantial global sugar surplus in the same season, which will drive downward price pressure, especially from the second quarter of 2025.

Gold falters as strong dollar, high Yields wield pressure

GOLD PRICES RETREATED as U.S. Treasury yields pressured the precious metal, resulting in a 0.45 percent decline in spot gold to $2,622.03 in a week of holiday-thinned trading, The combination of higher yields and a strengthening dollar undermined gold's appeal as an asset that does not produce income, dimming its allure for investors seeking such assets.

The dollar index, which tracks the dollar's strength against a basket of global currencies, continued its winning streak for a fourth consecutive week, further weighing on gold prices. Meanwhile, the benchmark 10-year Treasury yields surged to 4.641 percent, their highest level since May, bolstering the dollar's might.

Jobless claims for the week ending December 21 surprised to the downside, coming in at 219,000, while continuing claims rose to a November 2021 high, pointing to a labour market that remains resilient.

In a year marked by increased volatility and geopolitical uncertainties, gold has emerged as a shining star, recording a 28 percent gain and soaring to an unprecedented high of $2,790.17 in October.

While the Federal Reserve's easing policies and global uncertainties were instrumental in propelling gold to its stratospheric heights, the reduced likelihood of rate cuts in the year ahead could potentially dampen its momentum. However, analysts remain steadfast in their bullish sentiment, citing robust central bank purchases and geopolitical uncertainties as key factors that could continue to drive gold's strength.

With Donald Trump poised to reclaim the White House, his potential implementation of tariffs and protectionist policies could ignite trade tensions, further strengthening gold's standing as a safe haven asset.

In parallel, central banks are forecasted to maintain their aggressive gold-buying spree, setting the stage for a potential gold price surge to $3,000 by the midpoint of 2025 if present trends hold.

Analysts remain bullish, citing gold's well-established reputation as a stable asset and its perceived value as a hedge against inflation and geopolitical turmoil.

While gold's long-term prospects remain bullish, short-term technical analysis indicates that resistance is gathering steam at $2629.13, with a stronger layer of resistance materialising at $2665.52, where the 50-day moving average casts its shadow.

Supporting this bullish trend, minor support can be found at $2607.35 and $2583.91, but if prices descend to further depths, the major support level is positioned at $2536.85.

Chinese demand concerns weigh on iron ore futures

IRON ORE FUTURES dipped towards a second consecutive week of declines, as faltering demand from China, the world's top consumer of the metal, dampened prices. However, pre-holiday restocking efforts in China and increasing expectations of further economic stimulus helped to mitigate some of the losses.

This week's trading session on the Dalian Commodity Exchange (DCE) saw the most-traded May iron ore contract decline by 1.79 percent, reaching 766 yuan ($104.95) per metric ton. Meanwhile, on the Singapore Exchange, the benchmark January iron ore contract also dropped by 1.17 percent, settling at $99.6 per tonne.

Despite earlier optimism driven by hopes of additional economic stimulus in China, the global iron ore market experienced a continued downturn this week. Both DCE and SGX benchmarks fell approximately one percent, following a sharper three percent decline recorded in the prior week.

According to data released by Mysteel, a prominent steel industry consultancy, average daily steel output among surveyed Chinese steelmakers dipped by 0.7 percent week-on-week to 2.28 million tonnes in the week ending Dec. 26. This marks the lowest level since late September and represents the sixth consecutive week of decline, signaling persisting weakness in the Chinese steel sector.

Analysts at First Futures, in their recent report, commented on the persistent decline in Chinese steel output, noting that "Maintenances on blast furnaces and adjustments to production plans at steel mills are underway, which explains the ongoing decline in hot metal output."

Mergers & Acquisitions in Nigeria hit 10-year high with $3.8bn deals in 2024

• Renaissance dominates with $2.4bn SPDC acquisition

Onome Amuge

NIGERIA'S MERGERAND ACQUISITION (M&A) market rose to a 10-year high $3.8 billion in the first nine months of 2024, establishing the country as the second-largest M&A hub on the African continent, trailing only South Africa.

DealMakers Africa, a leading M&A intelligence firm, made the disclosure in a report featuring 10 standout deals that defined the Nigerian M&A landscape in the first three quarters of the year.

Mergers and acquisitions are a strategic business manoeuver where two or more companies combine their operations, often through financial transactions. M&As can take several forms, including:

- **Acquisition:** One company purchases and absorbs another company entirely.
- **Merger:** Two companies combine to form a new entity, with both companies' assets, liabilities, and management being consolidated.
- **Asset Acquisition:** A company purchases specific assets from another company, such as patents, technology, or real estate.

Leading off the list of landmark transactions is the acquisition of Shell Petroleum Development Company (SPDC) by a consortium of five Nigerian upstream oil companies—ND Western, Aradel Holdings, Petrolin Group, First E&P, and WalterSmith Group.

The deal, valued at $2.8 billion, saw the conglomerate snap up SPDC's 45 percent interest in four oil mining licenses, with an initial payment of $1.3 billion and future cash payments of $1.1 billion to be made to Shell.

July 2024 saw the emergence of more acquisitions as Chappal Energies acquired TotalEnergies' onshore assets for a total of $860 million.

During the same period, Seplat Energy completed its acquisition of ExxonMobil's MPNU Assets in an $800 million deal. Also of note, Oando PLC completed the acquisition of Eni's subsidiary, Nigerian Agip Oil Company (NAOC), for a total of $783 million.

In another major transaction, on June 11, 2024, Diageo announced that Tolaram would acquire its shares in Guinness Nigeria Plc at N81.60 per share, with a total transaction value of N103.7 billion.

March 2024 proved to be a month of major power shifts in the Nigerian business scene.

Saroafrica International created Oak and Saffron, a special purpose vehicle, which masterminded a major takeover of Presco Plc, scooping up 86.7 percent stake in Presco's majority shareholder, SIAT Group.

Not content to rest on their laurels, Presco launched a $125 million bid to acquire Ghana Oil Palm Development Company (GOPDC), a heavyweight in Ghana's oil palm industry.

The deal-making fever continued in the financial sector. FBN Holdings Plc made waves with the sale of its 100% equity stake in its subsidiary, FBNQuest Merchant Bank Limited, to EverQuest Acquisition LLP.

Meanwhile, in response to the CBN's recapitalisation directive, Unity Bank and Providus Bank rocked the banking sector with their August announcement of a strategic merger.

The development, the first of its kind in Nigeria's banking sector in half a decade, was backed by a banking support package worth N700 billion from the CBN.

According to the SEC Rules on Mergers, Takeovers and Acquisitions 2021, companies intending to undertake a merger, takeover, or acquisition that results in a significant shift in the business direction or policy of a public company must first obtain approval from the Securities and Exchange Commission (SEC).

L-R: Ugochukwu Okonkwo, honorary doctorate degree recipient and CEO, Veritas Registrars Ltd; and Ovie Shaka, faculty, African Leadership Business School, during the presentation of certificate of Honoris Causa degree in Strategic Leadership and Change Management 2024 to Okonkwo by the institution at an event held in Lagos

Nigerian Breweries showcases enhanced quality with Legend Draught launch

Onome Amuge

NIGERIAN BREWERIES is raising the bar for craftsmanship and beer experiences with the launch of Legend Draught, a new addition to the Legend Extra Stout family.

The premium stout, designed to deliver an unparalleled taste and aroma, is considered a testament to the company's commitment to innovation and excellence in beer-making.

Legend Draught, a premium stout unveiled at a private event in Lagos, is set to revolutionise the way stout lovers savour their beverage of choice. By combining the bold flavour of Legend Extra Stout with the velvety finish of draught beer, the new product promises to deliver an exceptional drinking experience that exceeds all expectations.

Ifeyinwa Madu, senior brand manager for Legend and Goldberg Black, spoke on the inspiration behind the launch, stating: "At Nigerian Breweries, we strive to innovate and deliver experiences that go beyond the ordinary. Legend Draught blends tradition and modernity, a true reflection of our dedication to premium quality and creativity in every glass."

Beta Glass taps Francophone markets for higher output

Onome Amuge

BETA GLASS PLC, a leading glass packaging manufacturer in West and Central Africa, said it is poised for an ambitious expansion into the Francophone region, with the objective of increasing the production of high-quality glass in Africa while simultaneously expanding its presence in the market.

Beta Glass PLC is the result of a merger between two prominent glass companies—Delta Glass Company LLC and Guinea Glass—in the year 2000.

Founded separately in 1974, Delta Glass and Guinea Glass pioneered glass container production in Nigeria, laying the foundation for the country's thriving glass packaging industry. Beta Glass PLC currently boasts of two sophisticated manufacturing facilities located in Agbara, Ogun State, and Ughelli, Delta State. Together, these facilities are capable of producing 720 tonnes of glass containers on a daily basis, resulting in an annual output of approximately 650 million glass containers. In addition to its robust glass container production, Beta Glass PLC also boasts of manufacturing 3.2 billion crowns and 5.5 million crates every year. The company's dedication to growth and modernisation is evident in its recent upgrades, including the 2024 expansion of the GF1 Furnace at the Agbara plant, which has boosted production capacity while prolonging the lifespan of crucial infrastructure.

The company, on the occasion of its 50th anniversary renewed Glass renewed its commitment to sustainability by emphasising the integration of eco-friendly practices and circular economy principles into its business operations. Beta Glass highlighted its goal of prioritising sustainability by utilising 50 percent recyclable materials in its production processes. This initiative is aimed at reducing waste and conserving resources.

In a bid to further solidify its position as a leader in environmental stewardship, Beta Glass PLC announced collaborations with organisations such as Wecyclers, the Food and Beverage Recycling Alliance (FBRA), and Lagos Waste Management Authority (LAWMA).

Airtel commences $100m share buyback to benefit shareholders

Joy Agwunobi

AIRTEL AFRICA, HAS initiated a second share buyback programme aimed at returning up to $100 million to its shareholders.

The leading provider of telecommunications and mobile money services, in a recent corporate filing with the Nigeria Exchange Group (NGX), disclosed that the initiative underscores the board's confidence in Airtel Africa's growth trajectory, robust financial position, and consistent cash flow at the holding company level.

The company stated, "Airtel Africa announces the commencement of a second share buyback programme that will return up to $100 million to shareholders. The share buyback reflects the Board's confidence in the company's continued growth potential, the strength of its balance sheet, and the consistent cash accretion at the holding company level."

The programme aligns with Airtel Africa's existing capital allocation policy and will be executed in two phases.

The first tranche, with a maximum value of $50 million, began on Monday, December 23, 2024, and is expected to conclude on or before April 24, 2025. As part of the buyback strategy, Airtel Africa has partnered with Barclays Capital Securities Limited to facilitate on-market purchases of its ordinary shares.

These shares will subsequently be acquired from Barclays, which will act as a riskless principal and independently manage the transaction process.

The company clarified that the primary objective of the programme is to reduce its capital base, with all repurchased shares slated for cancellation.

Airtel Africa's Board reiterated its commitment to enhancing shareholder value while ensuring the company's long-term growth and financial resilience.

MTN Nigeria renews spectrum lease to drive network expansion

Joy Agwunobi

MTN NIGERIA HAS announced the renewal of its spectrum lease agreement with Natcom Development and Investment Limited (NTEL), following approval by the Nigerian Communications Commission (NCC).

This agreement, according to the firm, enables it to strengthen its network services and expand coverage across the country.

This was disclosed in a statement signed by Uto Ukpanah, the company's secretary, and filed with the Nigerian Exchange Group.

"The renewed lease, effective May 1, 2025, extends for a two-year period, covering NTEL's 5MHz frequency division duplex (FDD) in the 900MHz spectrum band and 10MHz FDD in the 1800MHz spectrum band. These bands span 19 states, ensuring enhanced service delivery for MTN Nigeria's customers," the statement notes.

In addition, the NCC has approved a one-year expansion of the spectrum lease, effective January 1, 2025, to include the remaining 17 states and the Federal Capital Territory (FCT).

This expansion will enable MTN Nigeria to achieve nationwide coverage and enhance its 3G and 4G user experience by improving both capacity and coverage.

Commenting on the development, Karl Toriola, CEO of MTN Nigeria, said "We are pleased with the renewal of the spectrum lease agreement with NTEL, which now includes coverage for all states, including the FCT.

Digital transformation set to reshape Nigerian businesses in 2025- Report

Onome Amuge

THE DIGITAL REVOLUTION is taking the African continent by storm, with Nigerian and African businesses rushing to integrate digital technologies into their operations in 2025.

Drivecrowd Advertising & Digital Marketing Agency has identified this trend as one of the most significant expected to shape African business in 2025, as improved internet connectivity across the region spurs companies to leverage e-commerce, social media, and mobile payment solutions in pursuit of a competitive edge.

The full-service digital agency focused on creating client experiences through social media solutions, noted that with technology evolving at breakneck speeds, consumer preferences shifting, and markets constantly changing, entrepreneurs must adapt quickly to survive. It therefore implored business owners to invest in their digital presence by optimising their websites for mobile devices and adopting e-commerce practices to cater to the growing demand for online shopping experiences.

"In this digital landscape, embracing a variety of marketing and advertising practices will be essential. Social media marketing is poised to be a cornerstone strategy, allowing businesses to engage directly with consumers. Platforms like Facebook, Instagram, and TikTok are vital for reaching younger demographics, particularly in urban areas.

Hyacinth Alia (m), governor, Benue State celebrates the annual Christmas Party with the children in Benue State

Businesses should utilise targeted advertising features to reach specific audience segments based on interests and behaviors. Creative ad formats, such as short videos and interactive posts, can significantly enhance engagement and drive conversions," it stated.

The Drivecrowd Agency further highlighted the crucial roles of Google Ads and SEO in the success of businesses in 2025. It stressed that by utilising search engine optimization (SEO) techniques, Nigerian and African companies can optimise their content and website architecture, improving their organic search rankings and increasing their visibility when consumers search for related products or services.

It noted further that in tandem with SEO, Google Ads can provide an immediate boost to website traffic by leveraging pay-per-click (PPC) advertising. This form of online marketing enables companies to place advertisements on Google's search results pages and only pay when a user clicks on the ad.

"Influencer marketing is another powerful tool that will continue to gain traction. Collaborating with local influencers can amplify a brand's message and reach wider audiences authentically. Influencers already have established trust with their followers, making them an effective means of promoting products and services," entrepreneurs were advised.

Drivecrowd Agency also stressed the power of billboard advertising as a way for Nigerian and African businesses to reach a large audience, particularly in urban centers.

Placing billboards in high-traffic areas can maximise brand visibility, making a relevant impact on consumer awareness and recognition.

The agency also anticipates a strong emphasis on experimental marketing in 2025. It stated that in a world where consumers are bombarded with digital ads, businesses that offer unique, immersive experiences can create deeper connections with customers and stand out in a crowded marketplace.

Drivecrowd Agency further identified the growing importance of customer loyalty in the African market, where consumers are becoming increasingly selective in their purchasing decisions. To cultivate this loyalty, the agency urged businesses to focus on establishing trust through genuine interactions, high-quality products or services, and transparent communication.

The key to building consumer loyalty, according to the agency, lies in fostering a sense of connection with customers through consistent engagement, responding to their feedback, and adapting to their evolving preferences.

The agency also underscored the value of physical stores in creating a unique customer experience to compete with the convenience of online shopping. With the demand for personalised, engaging in-store experiences on the rise, the agency recommended that retailers focus on creating environments that celebrate local culture and products, showcase their offerings in innovative ways, and leverage technology to improve customer service and streamline operations.

"The regulatory landscape in Africa is also evolving, particularly concerning data privacy and online business practices. As governments implement stricter regulations, business owners must remain informed and compliant to avoid penalties. This includes understanding local data protection laws and ensuring that consumer information is handled responsibly. Companies that prioritize ethical data practices will not only mitigate risks but also foster trust among consumers," it added.

The agency also identified community engagement as a vital strategy for businesses operating in Nigeria and across Africa. According to the Agency, companies that actively engage with their local communities can not only enhance their reputation and visibility but also establish strong customer relationships.

Whether it's sponsoring local events, supporting community initiatives, or collaborating with other businesses, this approach is considered viable in helping companies differentiate themselves from competitors while demonstrating a commitment to local communities.

Billboxx secures $1.6m to drive financial solutions for African SMEs

Onome Amuge

BILLBOXX, AN INNOVATIVE billing-to-payment platform with the goal of streamlining payment processes for African businesses, has successfully closed a $1.6 million pre-seed funding round. The investment will allow the platform to expand its reach, offering a vital solution to the cash flow challenges faced by Africa's small and medium-sized enterprises (SMEs).

Billboxx's latest pre-seed funding round attracted interest from a roster of high-profile investors, including: Norrsken Accelerator, a Sweden-based venture capital firm; Kaleo Ventures, a San Francisco-based investment firm; 54 Collective, formerly known as Founders Factory Africa, a leading venture development platform;P2Vest, a South African private equity firm; and Afrinovation Ventures, a Nigerian venture capital firm.

Billboxx observed that many small and medium-sized enterprises (SMEs) in Africa struggle with delayed payments due to the prevalence of manual invoicing and deferred payment systems, which hinder business growth.

The company aims to address this issue through its integrated billing-to-payment system, designed to eliminate inefficiencies associated with manual invoicing and deferred payments.

This solution, according to Billboxx, will help alleviate the negative impact of late payments on SMEs, enabling them to focus on business growth and development.

Billboxx announced that its billing-to-payment solution provides SMEs with automated invoicing, secure payments, and tailored cash flow financing, enabling it to maintain a consistent cash flow and focus on growth.

In addition, the company stated that it had facilitated over $4 million in invoice payments through its Minimum Viable Product, launched in May 2023, within just a few months of operation.

In addition to its innovative features, Billboxx announced strategic integrations with a leading Nigerian commercial bank, a prominent African payment gateway, and multiple lending partners, enabling seamless payments via bank transfers, cards, and financing options.

The company also noted that the success of this pre-seed funding round underscores the growing demand for fintech solutions that address the cash flow challenges faced by small and medium-sized enterprises across Africa, highlighting the potential for disruptive innovation in the continent's financial sector.

Commenting on the development, Bongani Sithole, the chief executive officer of Billboxx, said, "Cash flow difficulties are the leading cause of business failures in Africa, with delayed invoice payments being a major contributor.

"Billboxx is dedicated to solving these issues with an integrated platform that ensures businesses' consistent cash flow and financial resilience. This funding round enables us to expand our impact and empower more SMEs to thrive."

Chi Farms to Invest $2.5bn in livestock expansion

Onome Amuge

CHI FARMS NIGERIA Limited has announced its intention to secure a $2.5 billion livestock investment in collaboration with the federal government which aims to transform the meat processing sector by establishing six new factories and strengthening the country's livestock value chain.

The Tropical General Investments (TGI) Group subsidiary made the disclosure recently when it hosted Brazilian meatpacking giant,JBS, and the Nigerian Investment Promotion Commission (NIPC) at its facility along the Lagos-Ibadan Expressway in Ogun State.

The delegation, led by Aisha Rimi, the executive secretary/chief executive officer of NIPC, included Fabio Maia, the head of international expansion at JBS and Osorio Dal Bello, an expert in poultry and swine.

They were received by Martin Middernacht, the managing director of

Cormart and Chi Farms Nigeria Limited; Johannes Flosbach, executive director of Cormart and Chi Farms;Sadiq Kassim, director of corporate affairs at TGI Group,; and Rafiat Gawat, head of corporate communications at TGI Group.

During the visit, Chi Farms showcased its integrated operations in poultry breeding, aquaculture, and meat processing.

The company also highlighted its expertise in constructing integrated poultry facilities as a representative of Big Dutchman, a global poultry equipment manufacturer, in West Africa.

Flosbach underscored the need for affordable capital to expand operations and modernise infrastructure, stating: "While there are challenges in the industry, we believe strategic investments can unlock Nigeria's livestock potential, drive local production, and create employment opportunities. This can only be done at scale when capital is available and affordable."

Rimi, the NIPC CEO also emphasised the partnership's significance, explaining its potential to enhance food security and boost Nigeria's position as a leader in Africa's meat processing industry.

"Nigeria's livestock sector offers immense growth opportunities. Strategic investments like this can enhance food security, drive exports, and position Nigeria as an African meat processing leader," she said.

The visit also provided a platform for Chi Farms to discuss critical issues facing the sector, particularly inadequate power supply and the scarcity of skilled labour.

Stories by Onome Amuge

U.S tops Nigeria's oil market with N3.6trn purchase in 2024

● Top ten importers buy N24.2trn Nigerian oil

THE UNITED STATES has risen to the forefront of Nigeria's energy export market, unseating The Netherlands as the dominant buyer of Nigerian crude oil in 2024, , as the top ten importers of Nigerian crude accounted for N24.2 trillion worth of the commodity.

Data from the National Bureau of Statistics (NBS) showed the U.S bought Nigerian crude oil worth N3.64 trillion in the first nine months of 2024 as Nigeria continued to solidify its position as a leading crude oil exporter in Africa, with its high-quality oil attracting international buyers despite the volatility of oil prices and evolving energy policies.

Though the United States has significantly reduced its reliance on imported oil as a result of increased domestic production, it remains a crucial market for Nigerian crude oil, especially for Gulf Coast refineries that are configured to process light crude oil. Reports show that Nigeria's light crude oil production matches the requirements of these refineries, making them natural buyers of Nigerian crude even as the US' overall import demand decreases.

France, buoyed by its need for oil that is compatible with its refining infrastructure and its lower carbon footprint, has remained one of the largest importers of Nigerian crude oil, placing second in terms of total value of crude oil imports in the period under review, with a total of N3.34 trillion worth of the commodity imported.

L-R: Cecilia Ibru, vice chancellor, Michael and Cecilia Ibru University; Gloria Ibru; and Oboden Ibru, at the 2024, Ibru's Get-together in Ikoyi Lagos

Spain increased its imports of Nigerian oil, driven by the European Union's diversification strategy that aims to reduce dependence on Middle Eastern oil supplies. This increase saw Spain import N3.02 trillion worth of Nigerian oil, making it the third largest importer.

Despite ceding its top spot as the largest importer of Nigerian crude oil, the Netherlands managed to increase the value of its imports from N1.5 trillion in the first nine months of 2023 to N2.77 trillion in the same period of 2024. Even with the reduced relative share of Nigerian crude in its import mix, the European country, now the fourth largest importer, retained its importance as a refining and distribution hub for Nigerian oil

Italian refineries ramped up their imports of Nigerian crude in order to produce high-value refined products such as gasoline and diesel, which are in high demand in European markets. This increase resulted in Italy becoming the fifth largest importer of Nigerian crude with a total value of N2.64 trillion in the first nine months of 2024.

Canada also emerged as a key player in the Nigerian crude oil trade, becoming the sixth largest importer with a purchase value of N2.56 trillion, making it an important North American partner for Nigeria's energy sector.

Indonesia, seeking to meet its industrial and energy needs with the light characteristics of Nigerian crude, emerged as a significant importer of Nigerian crude oil, becoming the seventh largest buyer during the first nine months of 2024 with a purchase value of N2.02 trillion.

India, renowned for its heavy reliance on Nigerian crude for its expanding industrial sector and refineries that prefer light, sweet crude, maintained its strong demand and emerged as the eighth largest buyer in the reviewed period, importing N1.57 trillion worth of Nigerian crude oil.

Ivory Coast, demonstrating the importance of regional trade within West Africa, emerged as the largest African importer of Nigerian crude, matching India's import value of N1.57 trillion.

Meanwhile, the United Kingdom affirmed its economic ties with Nigeria by importing N1.07 trillion worth of Nigerian crude, securing the final position in the list of top 10 importers.

The superior quality of Nigerian crude oil, classified as "light" and "sweet" due to its low sulfur content, is reported as the key factor driving its popularity among countries. This low sulfur content makes Nigerian crude easier and less expensive to refine, a significant advantage in the face of increasingly stringent environmental standards.

Data from S&P Global corroborates the desirability of low-sulfur crude like Nigeria's, which produces higher yields of desirable refined products such as gasoline, diesel, and jet fuel, at lower production costs.

These attributes ensure Nigerian crude's competitiveness and solid position in global energy markets.

TotalEnergies boosts Northern Ocean's backlog with West Africa contract renewal

GLOBAL ENERGY LEADER, TotalEnergies has reinforced its collaboration with Northern Ocean by securing three additional months of services from the innovative Deepsea Mira semi-submersible rig for operations in West Africa.

The extension is considered as a testament to the advanced capabilities of the Deepsea Mira rig, as well as the strong alliance between TotalEnergies and Northern Ocean, two industry leaders.

The Deepsea Mira rig, a pinnacle of modern engineering, is a striking demonstration of the impressive capabilities of modern technology. Constructed by Hyundai Heavy Industries, the 6th-generation rig is specially designed to withstand depths in excess of 10,000 feet, enabling it to excel in even the most demanding offshore environments.

Moreso, it is furnished with dynamic positioning and anchor-mooring systems, as well as a rugged construction that can withstand harsh conditions, cementing its reputation as a dependable and efficient asset for TotalEnergies' West African operations.

The contract extension, which is expected to yield an additional revenue stream of $27 million to $38 million for Northern Ocean, represents a significant boost to the company's backlog, elevating it to an impressive range of $515 million to $545 million.

Arne Jacobsen, chief executive officer of Northern Ocean, remarked that the extension not only solidifies the good relationship with TotalEnergies but also demonstrates the reliability and advanced capabilities of the Deepsea Mira.

Jacobson further emphasised that the collaboration transcends mere contractual obligations, representing a shared commitment to innovation and operational excellence within the energy sector.

According to industry analysts, by choosing to extend the contract with Northern Ocean and the Deepsea Mira rig, TotalEnergies has, in essence, provided a ringing endorsement of both the rig's superior capabilities as a top-tier offshore drilling asset, and of Northern Ocean's ability to provide high-performance solutions in complex offshore environments.

Odfjell Drilling's wealth of expertise in offshore operations is also seen to have played an integral role in cementing Northern Ocean's reputation as a reliable partner for TotalEnergies.

The extension of the contract between TotalEnergies and Northern Ocean, with the Deepsea Mira at its core, highlights the growing demand for advanced offshore drilling solutions as energy companies intensify their exploration efforts in key regions worldwide.

NNPCL debuts PMCC to redefine hydrocarbon management, production

THE NIGERIAN NATIONAL PETROLEUM Company Limited (NNPC Ltd) has established the Production Monitoring Command Centre (PMCC), an initiative designed to transform Nigeria's hydrocarbon operations and enhance production.

According to Olufemi Soneye, chief corporate communications officer at NNPC Ltd, the PMCC initiative is spearheaded by NNPC Upstream Investment Management Services (NUIMS), building on the success of the Command and Control Centre. The PMCC, he explained, aims to enhance monitoring, operational efficiency, and production in Nigeria's oil and gas sector.

Soneye further noted that the initiative is in line with President Bola Tinubu's policy to increase efficiency and boost production in the industry through innovation and advanced technology.

The PMCC, according to NNPC Ltd, provides a centralised platform for real-time monitoring of hydrocarbon molecules across the entire value chain, from production to export terminals, encompassing both Joint Ventures (JVs) and Production Sharing Contracts (PSCs).

By consolidating real-time data from various operators, the PMCC offers a comprehensive view of production activities, enabling timely identification of anomalies, minimising unplanned disruptions, and supporting seamless operational continuity. The PMCC operates 24/7, staffed by highly trained professionals, and utilizes cloud-based solutions to facilitate seamless data exchange with internal and external stakeholders.

Moreso, the PMCC has direct communication links to the Industry-Wide Security Command and Control Centre, which enhances the security of production operations. This integrated approach ensures that the PMCC is well-equipped to respond quickly and effectively to potential threats, safeguarding the industry's operations while driving efficiency and productivity.

"With advanced analytics and integrated data, the PMCC empowers stakeholders with actionable insights for proactive decision-making.

"This capability enhances planning, resource allocation, and risk management, enabling operators to meet production targets efficiently and maintain high operational standards.

"A standout feature of the PMCC is its support for predictive and preventive maintenance," the company stated.

Soneye emphasised that the PMCC monitors equipment performance and coordinates maintenance activities, ensuring the reliability and longevity of assets.

Furthermore, he noted that the PMCC promotes collaboration among stakeholders by providing a secure platform for data sharing and communication, facilitating effective problem-solving and continuous improvement across the oil and gas sector.

Soneye underscored the PMCC's pivotal role in minimising downtime and optimising maintenance, which directly translates to increased production and revenue.

He also pointed out that under the leadership of Mele Kyari, NNPC Ltd has achieved a production increase to 1.8 million barrels per day (bpd) and is striving to achieve a target of 2 million bpd.

Nigeria plans more airline sanctions over flight delays, cancellations

Sade Williams/Business a.m.

CONCERNED BY WHAT IS NOW generally seen as unjustifiable flight delays and cancellations across airports in the country, Nigerian aviation authorities say they plan more sanctions against airlines who incessantly indulge in these behaviours.

Chris Najomo, acting director general, Nigeria Civil Aviation Authority (NCAA), at a stakeholders' meeting convened in Lagos by the NCAA to find lasting solutions to flight disruptions, said the barrage of calls he had received in the last one week over flight delays and cancellations is concerning.

Najomo, however, also condemned the unruly behaviour of passengers in their protests over flight delays and constellations.

The country's civil aviation chief said while delays and cancellations were inevitable, poor management by airlines often aggravated the situation leading to restiveness.

"I wish to address a matter of increasing concern to our industry. Flight disruptions, delays, significant change to schedules and cancellations in Nigeria. This issue has far-reaching implications for passengers, businesses, the credibility of the aviation industry and national development as a whole. Air travel is not just about transporting passengers from one point to another; it is about doing so with reliability, efficiency, and accountability. When delays and cancellations occur, they disrupt plans, cause financial losses, and undermine passenger confidence in our aviation system. Delays and cancellations are sometimes inevitable, but poor management of these disruptions is not," said

Continues on page 29

L-R: Albert Igbafe Afegbai, director, aviation security services, Federal Airport Authority of Nigeria (FAAN); Abdullahi Mahmood, director, airport operations, FAAN; Olubunmi Kuku, managing director, FAAN; Chris Najomo, acting director general, Nigeria Civil Aviation Authority (NCAA); and Adedeji Sanwo-Olu, representing the managing director of NiMet, during a stakeholders meeting in Lagos on Friday

The Airport Customer Experience

Developing an airport commercial digital transformation

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).

RECENTLY, THE AIRPORTS COUNCIL INTERNATIONAL (ACI), which is the voice of the world's airports, released a guide on airport commercial digital transformation best practices. ACI is a global organisation which represents the interests of airports and also promotes airport standards and excellence in the aviation industry. ACI World is the leader globally in airport management and represents more than 2600 airports across more than 190 countries and territories.

It states in its best practice guide that commercial digital transformation aims at creating a seamless and efficient ecosystem that enhances the passenger experience and optimizes non-aero commercial revenue potential for the airports. Non-aeronautical revenues encompass a wide range of commercial activities within airport premises, including retail concessions, food and beverage outlets, car rentals, advertising, parking, and property development. The financing of airports relies upon two broad streams: aeronautical revenues from airlines and passenger charges; and commercial revenues from other activities at the airport. According to the ACI economics report, an average of 40.4 percent of global airport revenues derive from such commercial revenues.

With the continued evolution of commercial digital transformation, airports across the world are expected to increase their investments in commercial digital solutions to meet the changing demands of passengers and maximize revenue potential. This applies not only to greenfield airports but also to other brownfield airports as well. Policy makers in planning for airports must pay attention to digital solutions at the planning stage of an airport project and not when the airport is completed. For already existing airports, the airport strategic plan must incorporate digital solutions in their Information Technology Strategic Plan for improved passenger experience and competitive advantage.

Early digital successes in other industries, it states, point to three key drivers: convenience, price and customer service. Consumers expect a seamless offline and online experience when they interact with brands. Many airports, it points out, are yet to deliver that seamless experience through digital, often constrained by legacy business models. Consequently, relatively few passengers engage with an airport's digital offer and are more likely to build digital relationships with their airline.

A fall out of the pandemic has been that digital passenger behaviour has accelerated, especially where there is a high volume of leisure passengers. So there has never been a more important time to build or revisit a commercial digital strategy to drive revenue and passenger satisfaction.

Airports are advised to first decide where the value is for their commercial and passenger experience in the use of digital. A starting point would be with an airport's end-to-end journey and subsequently to look at how digital can add value, remove pain points for passengers or improve how passengers get specific jobs done, such as parking or navigation.

It notes that digital provides value in three core areas: by reaching more passengers before and during their journey; by extending dwell time via the use of digital and mobile channels; and by improving the airport offer with new digital-only products and services. It further points out that It's important to understand digital business models before creating a new airport digital strategy. There are many models, but e-commerce and platform/marketplace will drive the most immediate value for airports.

Airports are advised to map their current digital maturity as an organisation before they create a new strategy or roadmap. Although there are many ways to benchmark digital maturity, the best practice guide methods advised are practical and will allow an airport to articulate the key benefits that digital investment will bring to passengers and the internal change required to activate those benefits, the latter usually being the hardest to deliver for most organisations.

Airports are also advised to build a commercial digital technology architecture with a unified customer data platform at the centre. It points out that different commercial products and services offerings will likely have different underlying technology. Airports hence need to ensure these are all interconnected for an enhanced purchase experience. It is also important to ensure that any digital technology estate needs to be maintained and constantly updated to be relevant.

Digital, it states, offers a significant opportunity for airport retail revenue through increased penetration, higher conversion rates and an increase in average transaction values. It removes the traditional physical constraints of airport retail, enabling propositions, such as home delivery, virtual retailers, extended ranges and the ability to cross and upsell. Airports would do well to further increase revenue through better application of data to their traditional terminal physical advertising estate.

It points out that considering digital and data driven approaches is the most appropriate solution for airports to manage revenue and differentiate their offer. It would enable airports to adjust the pricing structure to optimise the base revenue; use data science to create advanced revenue management algorithms; use digital to drive tactical discounts and personalised offerings; and support all the above with targeted digital marketing investment.

Services at an airport, it states, are mostly offered as a standalone product and not as a combo or à la carte end-to-end service offering, which can be pre-booked to drive convenience and/ or experience. There is, it points out, an opportunity to capitalise on the potential of technology platforms for better passenger experiences and revenue maximisation. As such, service offerings can bring in considerable non-aeronautical revenues.

Building a digital infrastructure across the airport is critical to improving performance and driving wider engagement with passengers. However, any digital ecosystem is only as good as an airport's ability to attract passengers to the platform it points out. Engagement and relationship management are a core part of a wider digital airport.

Data, it states, is a key enabler for commercial digital transformation. Airports are advised to focus on solid foundations. They should audit commercial data sources and create a roadmap to make them usable as part of a central data repository. Digital and web analytics should be a core pillar of data strategy and used to drive day-to-day trading and digital revenue performance. It advises airports to ensure the digital estate meets all global privacy regulations and that it is reviewed on a regular basis. Also commercial data infrastructure should be built after appropriate discussion and agreement with IT and other stakeholders to avoid creating data silos.

Further, airports should use traffic, average transactions and conversion metrics to build KPIs for the digital business case. They should ensure there is a booking channel strategy for each digital product and service and that stakeholders across the business are aligned to help deliver business objectives. Also, airports are to confirm the return on investment through tangible and/or non-tangible gains from the project.

Airports at the start of their digital journey are advised to create a digital centre of excellence organisational model to focus effort and create pace of change. For instance, a commercial centre of excellence will include the core functions of marketing, digital, distribution and data. It points out that with maturing digital capability, airports should move from a team structured by channel to one structured around the passenger, by adding a cross-experience team, which is responsible for owning the end-to-end passenger journey across all digital channels. Passengers only see and expect one journey through the airport, irrespective of what channel they use, so airports need to enable that capability in its organisational structure.

It points out that focusing on continuous improvement, product management and sprint methodology are best practice development for digital. Airports are to consider setting up a central digital governance structure sponsored by the executive team and consider the right mix of in-housing versus outsourcing.

Commercial digital transformation offers many benefits for airports, but the road to reaping those benefits isn't without obstacles. New technology for instance disrupts routines. Aligning airlines, concessionaires, government agencies, security services and other stakeholders with the digital vision is crucial. Digital transformation is not a one-time event, but a strategic initiative that requires continuous development and refinement. By embracing a long-term commitment to this initiative and addressing these challenges strategically, airports can foster collaboration among stakeholders and unlock the immense potential of technology to create a seamless and positive travel experience for everyone.

It points out that most passengers already experience high levels of digital in their daily lives. Airports that haven't started on the digital journey are already behind and need to start now. Those with a well-established programme need to go faster to keep up with changing consumer demand. The key point is that digital is more agile than traditional airport infrastructure and airports need to start or accelerate their digital transformation now. The ACI World - Airport Commercial Digital Transformation Best Practices, 2024 can be found in the ACI store.

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First Class Experiences

Ranking of world's most l airlines gives peek view o

Singapore Airlines, Qatar Airways, Emirates'

FLYING FIRST CLASS IS designed for those who demand the best the travel industry has to offer at 35,000 feet. This level of luxury caters to high-net-worth individuals who choose top airlines for an unmatched experience. In this piece, Splash Travels presents a ranking of these airlines and lets you into the cabin offerings of luxurious air travels.

12. Air France
©MarcelX42, CC BY-SA 4.0, Wikimedia Commons

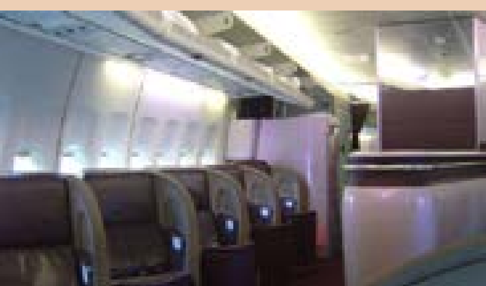
Air France was founded in 1919 and currently operates a diverse fleet, which includes Airbus A350s and Boeing 777s. Today, Air France covers 184 destinations, and its slogan, "France is in the Air," reflects its commitment to celebrating French culture and sophistication.

12. The French Perfection
©AF_LEspace_Premiere_777, CC BY-SA 2.0, Wikimedia Commons

La Première cabins are designed to offer an unparalleled level of refinement with private suites. Passengers can enjoy large seats that convert into fully flat beds, complete with plush bedding. Dining is a highlight, with menus designed by Michelin-starred chefs and paired with the finest French wines.

11. Virgin Atlantic
©Steve Fitzgerald, CC BY-SA 3.0, Wikimedia Commons

Alan Hellary and Randolph Fields came together to create Virgin Atlantic, a British airline based in West Sussex. It operates a fleet of Boeing 787s and Airbus A330s, specialising in transatlantic routes. The company's mission is to make flying a unique and exciting experience.



11. Redefining Transatlantic Travel
©Gary Bembridge from London/ New York, UK, CC BY 2.0 , Wikimedia Commons

What makes Virgin Atlantic stand out is its trendy atmosphere paired with exceptional service. The Upper Class is made of stylish suites with beds, direct aisle access, and high-quality entertainment systems. Travellers are treated to an exceptional dining menu and onboard social spaces like The Loft for mingling.

10. KLM Royal Dutch Airlines
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Operating since 1919, KLM Royal Dutch Airlines is the world's oldest airline. It's based in the Netherlands, with its hub at Amsterdam Schiphol Airport, and travels to more than 70 countries. However, thanks to codeshare agreements, KLM covers more than 800 destinations.

10. Dutch Craftsmanship At Its Best
©GreenPanther1234, CC BY 3.0, Wikimedia Commons

KLM has a luxurious World Business Class that rivals many. Each cabin features lie-flat seats and personal entertainment systems with noise-canceling headphones. Signature touches include fine dining crafted by top chefs and a focus on sustainability in both service and design.

9. Swiss International Air Lines
©Raptor95, Wikimedia Commons

Swiss International Air Lines is Switzerland's flagship carrier, operating out of Zurich Airport. It was founded in 2002, and its fleet includes modern Airbus A330s and A340s to connect Europe with destinations worldwide. "The Airline of Switzerland" is dedicated to delivering Swiss-quality service.

9. Swiss Precision and Sophistication
©Fersolieslava, CC BY-SA 3.0, Wikimedia Commons

First-class travel is a masterclass in luxury with adjustable seating and full-flat beds in private suites. The dining service features gourmet meals that reflect the country's culinary heritage. Plus, the premium skincare products and an attentive, multilingual staff ensure a seamless experience.

8. British Airways
©BriYYZ, CC BY-SA 2.0, Wikimedia Commons

"To Fly. To Serve." is the slogan of British Airways, showing its commitment to prioritising customer satisfaction. With origins tracing back to 1919, British Airways is the United Kingdom's flagship airline. It operates a diverse fleet, including Airbus A350s and Boeing 787s and has a long-standing reputation for reliability.

8. A Legacy Of British Hospitality
©Freddie-Darzi, Wikimedia Commons

British Airways' first-class cabins combine classic British design with modern comforts. Exclusive perks such as amenity bags and loungewear enhance the A-class experience. Travellers are also treated to spacious suites with comfortable beds, high-quality bedding, and blankets recycled from bottles. We love a sustainable yet luxe airline.

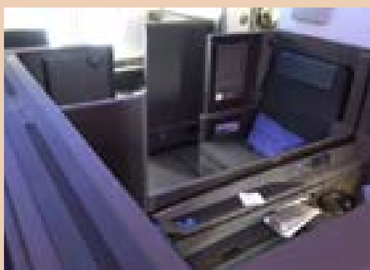
7. Qantas
©Damien Aiello, CC BY-SA 4.0, Wikimedia Commons

Founded in 1920, Qantas is one of the most established airlines and the flag carrier of Australia. With its hub in Sydney, Qantas' fleet — including Boeing 787 Dreamliners and Airbus A380s — connects passengers to over 100 destinations.

luxurious
f their cabins
First Class are top 3

7. Australian Luxury
©David Lytle from San Francisco, USA, CC BY 2.0, Wikimedia Commons
Each First Class suite at Qantas is designed to offer travellers maximum comfort. The spacious seats change into a fully flat bed with a comfortable mattress. Passengers also enjoy a tailored menu inspired by Australian cuisine and curated by renowned chef Neil Perry himself.

6. All Nippon Airways
©Spaceaero2, CC BY-SA 3.0, Wikimedia Commons
Japan's largest airline, ANA, operates from hubs in Tokyo. ANA's slogan, "Inspiration of Japan," highlights its dedication to delivering service rooted in Japanese culture and excellence. Its fleet of Boeing 787 Dreamliners and Airbus A380s reflects a commitment to innovation and sustainability.

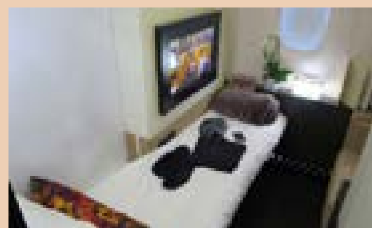


6. The Ultimate In Omotenashi
© / Suit Travel, CC BY 3.0, Wikimedia Commons
Omotenashi is a Japanese cultural heritage and philosophy that focuses on wholeheartedly taking care of guests. The airline offers incredible First Class suites that feature wide seats that can be easily converted into beds. Passengers can indulge in kaiseki-inspired meals or Western cuisine paired with premium sake and wine.

5. Cathay Pacific
©Aero Icarus, Switzerland, CC BY-SA 2.0, Wikimedia Commons
Many travellers prefer Cathay Pacific for its incredible, high-quality service and sustainable practices. The company is based in Hong Kong and was founded in 1946. Since then, it has established itself as a leader in global aviation with a 179 aircraft fleet.

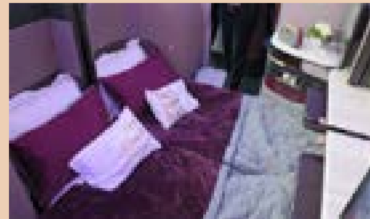
5. Timeless Elegance In The Sky
©Melv_L - MACASR, CC BY-SA 2.0, Wikimedia Commons
Cathay Pacific's first-class offers refined simplicity with spacious suites and personal closets for added convenience. Passengers are treated to gourmet meals crafted with seasonal ingredients and complemented by an extensive wine list. The service is polished yet warm to ensure every detail is taken care of.

4. Etihad Airways
©Wikimedia.Commons
Headquartered in Abu Dhabi, Etihad Airways has quickly become a global icon of premium travel. Its fleet, which includes Boeing 787 Dreamliners and Airbus A350s, serves over 80 destinations worldwide. Etihad's slogan, "Choose Well," is their belief in their top-notch services and tailored luxury.



4. The Residence And Beyond
©Travelarz, CC BY-SA 3.0, Wikimedia Commons
Etihad Airways takes first-class travel to an extraordinary level with "The Residence" on its Airbus A380s. It's a three-room suite with a private bedroom, living room, and en-suite shower. Other first-class cabins include private suites with leather seats that can easily be flipped into fully flat beds.

3. Qatar Airways
©Juke Schweizer, Wikimedia Commons
Founded in 1993, Qatar Airways has risen to prominence as one of the world's leading airlines. Operating from its hub at Hamad International Airport in Doha, it connects over 160 destinations. The Airways prides itself on efficiency and excellence (deservingly so).



3. Luxury Redefined In The Skies
©Travelarz, CC BY-SA 3.0, Wikimedia Commons
Qatar Airways' First Class offers spacious seats that convert into fully flat beds adorned with luxury linens and pillows. Dining is à la carte with a globally inspired cuisine crafted by well-known chefs. Onboard lounges on select aircraft allow passengers to unwind with premium beverages and socialize mid-flight.

2. Emirates
©Bahnfrend, CC BY-SA 4.0, Wikimedia Commons
Emirates began its operations in 1985 with two Boeing 727s, one Boeing 737-300 and one Airbus A300. Today, it has come a long way and its 249 aircraft cover 152 destinations. Known for its innovation and luxury, it is committed to providing a superior flying experience.

2. "Fly Better"
©Travelarz, CC BY-SA 3.0, Wikimedia Commons
On select Airbus A380s, passengers can retreat to private suites with floor-to-ceiling sliding doors and temperature control. Each suite features a fully flat bed and thousands of entertainment options. Unique to Emirates is the in-flight Shower Spa, where first-class passengers can refresh mid-flight.

1. Singapore Airlines
©Damien Aiello, Wikimedia Commons
"A Great Way to Fly" is literally Singapore Airlines's slogan. Coming as our first choice, the company changed its name in 1972 and is one of the most prestigious airlines globally. Based in Singapore, its hub at Changi Airport connects travellers to over 130 destinations with a fleet of advanced aircraft.

1. The Gold Standard In Air Travel
©LWYang, CC BY 2.0, Wikimedia Commons
First-class service reaches new heights with its exclusive suites. Each is a private haven with a separate bed and leather armchair, complete with sliding doors for ultimate privacy. Passengers can enjoy fine wines and access to "Book the Cook," which allows them to pre-select meals from a huge menu.

Nigeria plans more...

Continud from page 27

Najomo.

He said it was the responsibility of airlines to ensure that every disruption, whether due to operational, technical, or weather-related challenges, is handled with the utmost professionalism and regard for passengers' rights, especially with the country experiencing the harmattan season which comes with poor weather conditions that affect flight operations.

Flight operations data record with the NCAA indicates that in September, 2024, 5,291 domestic flights were operated with 2,434 delays and 79 cancellations. In October, 2024, 5513 flights were operated with 2,791 delays and 111 cancellations recorded, Najomo disclosed.

He reminded airline operators of the NCAA Regulations on Passenger Rights during disruptions, as outlined in the Nigeria Civil Aviation (Consumer Protection) Regulations, 2023.

"These regulations are not optional; they are mandatory obligations that ensure passengers are promptly informed of schedule changes, delays or cancellations; accommodation, refreshments, and alternative travel arrangements are offered when disruptions exceed the acceptable limits; adequate compensation is provided where applicable," he stated.

Najomo threatened that non-compliance with these regulations will not be tolerated, adding that going forward, the NCAA will not hesitate to impose the necessary penalties where violations are observed.

"I have instructed my team to monitor and enforce compliance and apply sanctions. My team has engaged the industry in the last one year by organising awareness, sensitisation and training sessions for the airlines and the association of travel agents to re-educate them on the provisions of the Nigeria Civil Aviation regulations and airline obligations to passengers in the event of disruptions. This is also extended to passengers to also educate them on their responsibilities as the NCAA will also be joining airlines to enforce whatever penalties will be applicable for unruly behaviour because with rights come responsibilities," the NCAA chief stated.

Acknowledging the challenges faced by airlines, including infrastructural limitations and operational constraints, Najomo noted that these challenges should not come at the expense of the passengers.

"Airlines must invest in robust operational systems that can minimize avoidable delays; ensure transparency in communication with passengers during disruptions; strengthen contingency plans for emergencies or unforeseen circumstances. Offer immediately, care, refund, reimbursement and or compensation as Applicable. This is not only about compliance with regulations but about fostering trust and goodwill among the flying public. The NCAA remains committed to supporting airlines in overcoming operational challenges. We are ready to work together to identify root causes of delays and cancellations and to implement sustainable solutions," Najomo said.

Olubunmi Kuku, managing director, Federal Airports Authority of Nigeria (FAAN), who is responsible for the management of airports in the country, took a tough position over unruly behaviours at airports, and said mobile courts where offenders can swifty be prosecuted would soon be ready.

Kuku urged airlines to open effective communications lines with passengers and agencies, especially when flights would inevitably be cancelled or delayed.

She also disclosed that a lot of the sunset airports, excluding Benin and Akure airports, now have night landing facilities and would ease the burden of airlines.

"A crucial challenge is communication. Passengers need to know when to go to the airport, we need to have accurate timing of flights. Sometimes, airline staff do not have flight information. We also need to learn to handle the narrative professionally, we understand airlines challenges but better planning, collaboration and communication will help a great deal. Also, we are all aware of the frustration by passengers but inappropriate behaviour would not be tolerated at the airports," Kuku warned.

Allen Onyema, executive chairman of domestic and international carrier Air Peace chronicled a series of unpleasant events involving irate passengers at the airports, saying it was high time such passengers received necessary prosecution in accordance with standards.

"The attitude of some passengers is scary. We cannot continue to indulge unruly behaviours, it is dangerous to staff and airport facilities. Until Nigerian passengers learn that force majeure is the reason for some delays, the situation will continue.

As Nigeria strengthens digital tech infrastructure ahead of 2025

Joy Agwunobi

IN 2024, NIGERIA'S TECHNOLOGY sector has witnessed notable progress, fueled by government-led initiatives aimed at reinforcing digital infrastructure, expanding broadband access, and positioning the digital economy as a critical engine for growth.

Central to these efforts are strategies to bridge the digital divide, particularly in underserved regions; this vision has led to the approval of several transformative projects designed to enhance national connectivity. As the country moves into 2025, the continued focus on strengthening digital infrastructure remains pivotal in driving economic growth, strengthening national security, and supporting key sectors such as agriculture, education, and mining.

In a recent interview, Bosun Tijani, the minister of communications, innovation, and digital economy, discussed the country's technological progress in 2024, the government's plans for 2025, and the investments that are set to reshape the nation's connectivity landscape.

Tijani, who has been at the helm of these initiatives, highlighted several ambitious projects, including the establishment of a national fibre-optic network, satellite-based connectivity and collaborations with private partners to drive broadband penetration across the country.

Tijani revealed that the federal government will contribute half of the $2 billion required to fund the 90,000-kilometre fibre project. The minister stated, "Earlier this year, the FEC approved a memo to establish a special purpose vehicle for deploying 90,000 kilometres of fibre-optic cables in Nigeria. The government will provide half of the funding, just under $1 billion, which will be secured through loans as part of the borrowing plan for 2025."

This project, which has garnered strong support from President Bola Tinubu, the Ministry of Finance, and other key government stakeholders, is expected to play a critical role in the nation's connectivity future. Tijani mentioned that discussions with funding partners, particularly the World Bank, have made significant progress, and the government hopes to begin laying the fibre cables in Q2 2025.

L-R: Victor Egharevba, general manager, Saturn Farms; Tunde Faturoti, acting MD, Saro Oil Palm Limited; Reji George, MD, Presco plc; Monday Okpebholo, governor, Edo State; Joseph Umolu, chairman, Edo State Oil Palm Investors Group; Goodluck Ebelo, MD, Farmer Ebelo Limited; Gani Audu, chief of staff to the Edo State governor; and Churchill Oboh, general manager, Edo State Oil Palm Programme Implementation Office, during a meeting to further deepen collaboration between the State and private investors under the Edo State Oil Palm Programme, reinforcing their mutual dedication to driving growth in the oil palm industry and ensuring shared prosperity for the people of Edo State, held in Benin City, Edo State, recently.

"We are extremely happy with the support we've received, especially from the president, the Ministry of Finance, and the CME. Significant progress has been made in discussions with our funding partners, particularly the World Bank. We're looking forward to starting the digging for cable installation sometime around Q2 to Q3 of 2025," the minister stated.

Elaborating on the government's strategy for ongoing broadband expansion. "For those who truly understand the backbone of connectivity, I know we see many complaints about quality. When we assessed the situation, we realised that as a nation, we have two options for building a digital economy. You can either rely on private companies, such as mobile network operators (MNOs) and infrastructure companies, to fund extensive networks, or the government must step in and invest," he explained.

He pointed out the inherent challenge of the first option, where businesses are unlikely to invest significantly without guaranteed returns in the short to medium term. In contrast, the government's involvement ensures that connectivity, an essential resource for all citizens, is accessible at a high-quality standard. "We realised that the government must put its skin in the game, investing in the backbone that allows businesses to transmit and operate seamlessly, ensuring the quality of service that Nigerians deserve," Tijani added.

This realisation, according to him, led to the creation of a special purpose vehicle (SPV), an initiative designed to drive the deployment of 90,000 kilometres of fibre-optic cables across the country. He further explained that while the SPV is not a government entity, the government will invest in it, and the structure will be managed as a private entity with government representatives on its board.

"When we came into office, we realised that there is a significant demand for high-quality connectivity across Nigeria. Unfortunately, investment has been lacking in this area. We need to invest in the backbone infrastructure, which is why we created the SPV. It is not a government entity, but the government will invest in it and ensure it is managed privately," Tijani stated.

The minister also mentioned ongoing efforts to enhance satellite-based connectivity. "Over the past year, we have worked hard to push NIGCOMSAT to deploy satellites that will augment the current connectivity network across the country."

Another critical aspect for 2025, according to Tijani, is the expansion of base stations across the country. "There are still parts of Nigeria without adequate base stations for telecommunication services. This is something we aim to address in the coming year," he said.

Tijani emphasised that connectivity today extends far beyond mere internet access; it is vital for national security. "Without the necessary infrastructure, our security will suffer," he warned, adding that digital infrastructure is becoming increasingly important for sectors like health, agriculture and mining, which Nigeria is prioritising. "To implement smart agriculture, robust connectivity is crucial. Similarly, the mining sector, which is gaining significant attention, also requires strong connectivity," he added.

Tijani's vision for Nigeria's digital infrastructure extends into 2025, with major developments expected. "By mid-2025, you will begin to see significant activities surrounding the construction of this network. We're not just looking for minor improvements; we aim for substantial progress. In the coming weeks, we will also release the results of a study on the sustainability of the telecommunications sector, which will inform the measures needed to ensure long-term stability," he explained.

Turning to the 3MTT (3 Million Tech Talent) initiative, Tijani discussed the government's efforts to address the global talent gap in technology. "There's a massive gap in tech talent worldwide, which is why 3MTT is designed to be scalable. We are not just training people, but also helping them find job opportunities," he said.

The initiative started in 2023 with 30,000 trainees, expanded to 60,000 in early 2024, and is set to welcome another 90,000 in a new cohort. "So far, we've trained nearly 150,000 individuals, and our goal is to scale this programme. In 2025, we will continue to scale this initiative, ensuring that even more Nigerians benefit," Tijani stated.

Regarding artificial intelligence (AI), Tijani expressed pride in Nigeria's growing success in this field. "When I took office, I set a goal for Nigeria to be among the top 25 countries globally in AI. The UN recently released a list of the top 60 countries in AI, and Nigeria is already on that list," he said.

Looking ahead to 2025, Tijani highlighted plans to support AI-driven startups. "We funded 45 AI startups earlier this year, and we expect to see their products serving key sectors like agriculture, healthcare, and education, generating jobs and boosting our GDP," he stated, adding "We understand why we're chasing AI for all is about productivity. It's about ensuring that Nigeria is not left behind but it's also about providing job opportunities for our people."

The minister also revealed plans for Nigeria to host the fourth AI Safety Summit, following participation in the third summit in 2025. "This is significant progress for Nigeria. Hosting the summit will bring investment into the AI space and support our startups and businesses," he said.

Tijani further outlined the development of a national web design standard, which will ensure consistency across government websites. "For those who consume digital services from the government, for instance, you can tell that one agency website is different from the other sometimes you're not even sure if what you're seeing is a government website that is about to change because we're now creating the standard for what every government website in Nigeria will look like when you see it you can recognize the font the colour, the layout, the logo of government, everything is going to be extremely clear," he explained.

The minister assured that these initiatives are already underway and will become more apparent in the coming year. "We are not going to be promising and delivering things that are not concrete so the foundations that we have laid you are going to see us scaling them significantly in 2025," Tijani stated.

NITDA warns against holiday online shopping scams

AS THE HOLIDAY season draws near, the lure of irresistible online deals is met with an equally potent danger: online shopping scams. With cybercriminals leveraging the festive spirit to exploit unsuspecting shoppers, the risk of falling victim to fraudulent schemes has become a pressing concern.

To address this growing threat, the National Information Technology Development Agency (NITDA) has issued a crucial advisory urging Nigerians to stay vigilant.

The technology regulator highlighted that scammers are increasingly creating fake online stores and sending phishing emails or text messages advertising attractive Black Friday or end-of-year sales. These deceptive tactics aim to trick individuals into clicking malicious links, potentially leading to malware infections, financial loss, identity theft, or emotional distress.

"Scammers often trick people into clicking on fraudulent links that install malware on their devices or lure them into patronizing fake online stores," the advisory warned, noting that "this results in severe consequences, including financial loss and identity theft."

To safeguard against these risks, NITDA outlined practical measures for Nigerians. These include avoiding links in unsolicited messages, verifying the authenticity of online stores by reading reviews, checking contact details, and ensuring the presence of secure connections indicated by "https://." Additionally, the agency advised against using public Wi-Fi for transactions urged the activation of multi-factor authentication (MFA) on online accounts, and stressed the importance of monitoring accounts for unauthorised transactions.

"Staying vigilant and following these safety measures are critical steps in avoiding scams during the holiday shopping period," NITDA emphasised, while also noting that adopting these preventive measures could make all the difference in ensuring a safer and more joyful holiday season.

Simplilearn lists top 16 emerging technology trends for 2025

Joy Agwunobi

AS THE WORLD KEEPS changing rapidly driven by technological innovations, Simplilearn, a leading provider of online training in emerging technologies, has highlighted key technology trends expected to influence the global landscape in 2025. As these technologies evolve, the role of IT professionals will undergo significant transformation, with a growing emphasis on continuous learning and adaptation.

The company identifies the top 25 trends that will dominate industries and transform daily life, from generative AI to space tourism. These technological advancements are not just redefining business practices but also introducing new opportunities and challenges for professionals and industries worldwide.

According to Simplilearn, the top 25 emerging technologies include the following:

1. Generative AI

Generative AI is expected to lead the charge in technological innovation by 2025. With capabilities ranging from text generation to image, audio, and complex simulations, this technology is changing how businesses engage with customers, solve problems, and create content. As tools become more accessible, organizations will increasingly rely on generative AI to automate processes, innovate faster, and offer personalized services at scale.

2. Quantum Computing

Quantum computing continues to advance, promising exponential speed in processing complex tasks that traditional computers struggle with. Simplilearn notes its applications in cryptography, drug discovery, and more. Although still in its infancy, quantum computing is set to revolutionize industries by solving problems once thought unsolvable.

3. 5G Expansion:

The rollout of 5G networks promises faster speeds, wider coverage, and lower latency. This technological leap is crucial for enabling IoT, augmented reality, and autonomous vehicles. According to Simplilearn, the expansion of 5G is facilitating transformative technologies like IoT, augmented reality, and autonomous vehicles by providing the high-speed, low-latency connections they require. The technology is crucial for enabling real-time communications and processing large amounts of data with minimal delay, thereby supporting a new wave of technological innovation.

4. Virtual Reality (VR) 2.0

Enhanced VR technologies are offering more immersive and realistic experiences. With improvements in display resolutions, motion tracking, and interactive elements, the firm noted that VR is becoming increasingly prevalent in gaming, training, and therapeutic contexts. With advancements in display technology, motion tracking, and interactivity, VR systems are becoming more user-friendly, with lighter headsets and longer battery life.

5. Augmented Reality (AR)

Augmented reality is expected to thrive in both consumer and enterprise applications by 2025.

The firm noted that this technology is set to transform industries like retail, real estate, and education by enhancing how users visualise products, learn, and interact with their environments.

According to Simplilearn, AR-powered solutions will allow users to seamlessly overlay digital information onto the real world, bridging the gap between physical and digital experiences.

6. Internet of Things

Simplilearn predicts IoT will continue to be a cornerstone of smart cities, driving efficiencies in traffic management, energy use, and public safety. IoT-enabled devices and sensors are making cities smarter, enhancing the living conditions of urban populations through real-time data collection and management.

7. Biotechnology in Agriculture

Biotechnology is revolutionising agriculture, enabling the creation of crops with enhanced resistance to pests and diseases, better nutritional profiles, and higher yields. Simplilearn emphasises the importance of this technology in addressing global food security challenges, especially in the face of climate change.

8. Autonomous Vehicles

The development of autonomous vehicles is making significant strides, with AI and machine learning driving advancements in public transportation, freight logistics, and personal vehicles. Simplilearn predicts that autonomous vehicles will reduce accidents, improve traffic management, and lower emissions in the coming years.

9. Blockchain

Blockchain technology is gaining traction across industries, offering transparency, security, and fraud reduction. Simplilearn highlights its use in securing medical records, improving supply chain traceability, and creating tamper-proof voting systems, making it an essential tool for digital transformation.

10. Edge Computing

Edge computing is critical for real-time processing applications, reducing latency by processing data near its source. The firm points out its use in autonomous vehicles, industrial IoT, and remote data processing, where quick decision-making is vital.

11. Personalised Medicine

Personalised medicine tailors treatments based on an individual's genetic, environmental, and lifestyle factors. Simplilearn highlights its potential in oncology, where personalised therapies target genetic mutations in cancer cells, improving patient outcomes and minimising side effects.

12. Neuromorphic Computing

Neuromorphic computing, which mimics the brain's neural structures, is poised to revolutionise computing by improving efficiency in pattern recognition, sensory data processing, and real-time learning. This technology promises substantial gains in energy efficiency and computational power.

13. Green Energy Technologies

With a focus on reducing carbon footprints, green energy technologies are rapidly advancing. Innovations in solar, wind, and bioenergy, including new photovoltaic cells and wind turbines, are making renewable energy more efficient and affordable. Simplilearn sees these technologies as vital for achieving global sustainability goals.

14. Wearable Health Monitors

Wearable health devices are becoming increasingly sophisticated, continuously monitoring various health metrics like heart rate, blood pressure, and glucose levels. Simplilearn forecasts these devices will drive a shift toward preventive healthcare and personalised health management.

15. Extended Reality (XR) for Training

Extended Reality (XR), encompassing virtual, augmented, and mixed reality, is transforming training in industries like healthcare, aviation, and manufacturing. Simplilearn predicts that XR will enhance learning outcomes, improve engagement, and reduce training costs by providing immersive, risk-free simulations.

16. Voice-Activated Technology

Simplilearn highlights the growing sophistication of voice-activated technology, with applications spanning smart speakers, customer service bots, and even vehicles. This technology enhances user interaction with devices through natural language processing, making everyday tasks more accessible.

Data & Information Governance Insight

How did they know I was shopping?

MICHAEL IRENE, PhD

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IT HAPPENED AGAIN the other day. I was shopping online, casually browsing for some home essentials. I found a couple of items I liked, popped them into my basket, and then got distracted by life. You know how it goes — my tea went cold, the washing machine beeped, and before I knew it, I'd forgotten all about my shopping.

A few hours later, as I was scrolling through my emails, there it was: "Still thinking about those items?" The shop had sent me a little reminder about the things I'd left behind in my basket, complete with pictures of the exact products I'd considered buying. I'll admit, it was a little unsettling. How on earth did they know I'd abandoned my order?

It's all thanks to clickstream tracking, a method websites use to monitor every click, scroll, and pause you make online. It's like leaving a breadcrumb trail that shows businesses exactly where you've been and what you've done. This data helps them understand your behaviour and nudge you back towards a purchase — just like they did with me.

Websites use tools like cookies, which are small files stored on your device, to keep track of your activity. They can also use tracking pixels — tiny, invisible images that notify the website when you open an email or visit a page. Together, these tools create a detailed map of your online journey.

In my case, the shop's system noticed I'd put items in my basket but didn't complete the checkout process. Using the email I'd logged in with, they sent me a friendly nudge to come back and finish what I'd started.

But it doesn't stop there. Businesses use this kind of data for more than just reminders. They personalise your experience, tailoring product recommendations, discounts, and even homepage displays based on your preferences. They also work with advertising networks, which is why you might see ads for something you looked at on one site suddenly following you across the internet.

For businesses, this kind of monitoring is gold. It helps them increase sales and build loyalty. But for you, it raises important questions about privacy. What happens to the data they collect? How is it stored? Who has access to it?

The truth is, your clickstream data is often shared with third parties, including advertising networks and data brokers. While this is legal in many cases, it's not always clear how far this sharing goes or how secure your information is. And though laws like GDPR in the UK and EU aim to protect your privacy by giving you more control over your data, the responsibility to safeguard your information largely falls on you.

So, what can you do? First, start by managing your cookies. Many websites now allow you to customise which cookies are stored on your device — though it's worth noting that some sites make opting out tricky. Second, consider using tools like ad blockers or browser extensions that limit tracking. You can also clear your browser history regularly and use private browsing modes to reduce your online footprint.

Another simple step is to check a website's privacy policy before signing up or making a purchase. While it might seem tedious, this document outlines how your data is collected, used, and shared. And if you're feeling overwhelmed by personalised ads, many platforms let you adjust your ad preferences or opt out entirely.

For me, this experience was a wake-up call. It's one thing to enjoy the convenience of tailored shopping, but it's another to hand over my privacy without thinking twice. As consumers, we should all be more aware of the data trails we leave behind — and take steps to protect ourselves.

The next time you get an email about something you left in your basket, remember it's not a coincidence. It's a reminder of just how much the internet knows about you. Whether you find that helpful or a little creepy, one thing's for sure — it's time to take control of your data.

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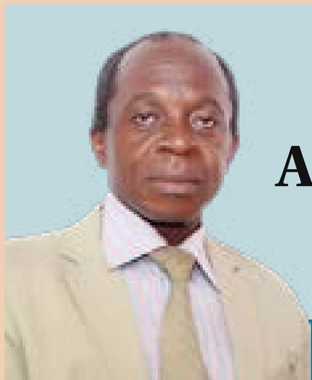

Africa & Global Observatory

OLUKAYODE OYELEYE

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Is France proud of its footprints in colonial Africa? (3)

STABILITY, NOT DEMOCRACY, is the main interest of France in Chad. Its resources still remain one main reason for the continued presence of France within the Central African country. This is not an assumption. Rather, it was given expression in words and action. This was clearly stated a few years ago — in April 2021 — by President Emmanuel Macron at N'djamena in a speech while paying tribute to the deceased Idriss Déby Itno. Macron was so vociferous, saying France will not tolerate threats against Chad. "France will not let anybody put into question or threaten today or tomorrow Chad's stability and integrity," Macron said. Apart from several African presidents present at the state funeral of Idriss Déby Itno, the slain Chadian leader, Macron was the only Western head of state in attendance. He was sitting side by side with Mahamat, the son and successor of Chad's long-term maximum ruler. Mahamat Idriss Déby, who emerged as Chad's new head of state by mere succession without election, became France's new beautiful bride. Expectedly, and to continue to be relevant in Chad, France had to pin its hopes on the new leader without asking questions or raising an eyebrow on the process of his emergence.

France had reasons to back Mahamat as he called Déby, Mahamat's father, a "friend" and "courageous leader." He did not speak of Déby's authoritarian rule as he was warming up to his son who immediately mounted the saddle. Following the ascendancy of Mahamat, President Emmanuel Macron received the interim president Mahamat at the Elysee Palace in Paris, on February 6, 2023. This is nothing but a clear endorsement of Mahamat as the new leader of Chad. During that visit, both Macron and Mahamat reportedly discussed "all regional issues, including Sudan, Libya and Niger, as well as the return of our military resources to France." The meeting "also enabled the two presidents to discuss the continuation of the political transition in Chad," the French president's office added. Mahamat needed such a visit to cement his legitimacy. However, underscoring France's hypocritical stance on Chad's leadership was Macron's double standard in kicking against the return of military rulers to Mali, Guinea Conakry and Burkina Faso before Mahamat's visit and the all-out opposition to the ousting of Mohamed Bazoum of Niger by the military five months after Mahamat's visit. It means France will accept any government in any of its former colonial African countries as long as it is compliant and ready to do France's bidding.

It was not altogether surprising that France had no problem with the election that enabled Mahamat to become a civilian president as he was sworn in as president after three years of military rule in May 2024. On his part, Mahamat's own game was all too obvious. "I would like to say that I respect your choice, which contributes to the vitality of our democracy," Mahamat said upon taking the oath of office as an elected president. Just like he glossed over in the case of Alassane Ouattara of Côte d'Ivoire — who changed the country's constitution to enable him run for the third term — Macron chose to look the other way on Mahamat's emergence as civilian president. For France, both Ouattara and Mahamat have become French allies and useful resources. The reference to the deposed Bazoum of Niger as a French and Western ally provides an insight into which nation's interest they serve best while in power as they serve as French proxies in their respective countries.

The enduring interest of France in Chad runs through decades, perhaps a century or more. In the era of full colonial control, France came to perceive Chad primarily as a source of raw cotton and untrained labour to be used in the more productive colonies to the south. France had no big plan for Chad as the latter did not seem to have much to justify the expense involved in attempts to explore and exploit the Central African country. France seemed tardy within Chad as there was neither the will nor the resources to do much more than maintain a semblance of law and order. That was then. But a lot of resources from the subsoil have been discovered and France is still around to help Chad explore and exploit them. In Chad's most recent history, much industrial development has centered around the exploitation and production of oil. In oil and other minerals, value-addition is at the very early stages as Chad's mining sector still remains underdeveloped and the country's mineral resources are under-explored. The only mineral currently exported from Chad is sodium carbonate, also known as natron. In December 2023, it was disclosed that Paris would fund further natural resource mapping in Chad. In this project, French geologists are expected to help Chad to continue with its inventory of its mining potential, with the involvement of the mines minister Abdelkerim Mahamat

Since the government of Chad has identified mining as a priority investment sector, the sustained interest of France is understandable, particularly as French private and government investors own a substantial portion of Chad's industrial and financial institutions, and the French treasury is there to support. France remains Chad's leading bilateral development assistance partner — excluding humanitarian and food aid. Within three consecutive years of 2019, 2020 and 2021, the funding of the Agence Française de Développement (AFD) in Chad totalled €60 million and rose to €85 million in 2022. Chad is endowed with diverse natural resources including petroleum, uranium, gold and limestone. However, nearly 78 percent of the population still lives in rural areas. It is hoped that — in spite or because of the minerals to be exploited — Chad will not suffer resource curse or go the way of Niger, its Western neighbour, in the hands of France.

For 40 years, Niger has been one of the world's largest uranium producers, but it is still one of the poorest countries on the planet. French multinational mining operations have led to the contamination of water, air and soil by radioactive substances in places where ordinary Nigeriens reap little benefit from France's control of Niger's uranium resources while 60 percent of the population live below the poverty line and roads used by trucks carrying uranium are in poor condition. It is feared that the case of Chad might not be any different. The reasons for France's enthusiasm about Chad may have just begun to unfold. Chad has been the most consistent target of French military activism. French politicians dispatched troops to protect a variety of Chadian dictatorships in the 1960s, 70s and 80s, including in the 90s when Idriss Déby Itno came on board. To protect the regime of Hissène Habré against the advance of Libyan forces and Libyan-backed rebels, in 1986, France launched Operation Epervier. For France, it did not seem to matter whatever atrocities Habré committed while in office. French forces have remained in the country ever since. In 2016, Habré was convicted of crimes against humanity. Over the years, succession in office of president in Chad has not always been peaceful. But, was that a problem for France? Probably not.

Notwithstanding the disposition of France, things appear to be changing even in their weak former colonies, and some leaders are becoming intolerant of the pervasive influence of France on their politics and economy. Speaking at the celebrations marking the 55th anniversary of the independence of Chad on 11 August 2015, President Idriss Déby declared that "we must have the courage to say there is a cord preventing development in Africa that must be severed." To be more direct, the 'cord' he was referring to is now 79 years old. It is known by the acronym 'CFA franc,' – officially created on 26 December 1945 by a decree of General de Gaulle. It has held a strong ground in its West and Central African colonies since then. To uphold the CFA franc, it is argued, France has never hesitated to jettison heads of state tempted to withdraw from the system. In the West African subregion, the Monetary Union (WAEMU) is made up of Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo as the African Financial Community franc. A similar arrangement was forged for the six members of the Central African Economic and Monetary Community (CAEMC), consisting of Cameroon, Central African Republic, Republic of the Congo, Gabon, Equatorial Guinea and Chad in the form of Central African Financial Cooperation franc. The two zones possess economies of equal size – each representing 11 percent of GDP in sub-Saharan Africa. The two currencies, however, are not inter-convertible.

Despite the longstanding monetary accords between African nations and France, the CFA franc may now be headed for the rocks, especially as the recent attempts by France to subtly change it to 'Eco' in West Africa through the backdoor has failed after it was resisted by the Anglophone countries. Now, apart from Idriss Déby, many more are speaking up. They seem no longer impressed by what the CFA franc has been to them, which now continues under the euro regime. A fixed rate of exchange with the euro (as previously done with the French franc; set at 1 euro = 655.957 CFA francs), a French guarantee of the unlimited convertibility of CFA francs into euros and a centralisation of foreign exchange reserves now seem increasingly intolerable. Many heads of states now question the continuation of the culture in which – since 2005, the two central banks - the Central Bank of West African States (BCEAO) and the Bank of Central African States (BEAC) have been required to deposit 50 percent of their foreign exchange reserves in a special French Treasury 'operating account'. The fact that this figure stood at 100 percent immediately following independence but has been reduced to 65 percent from 1973 to 2005, and 50 percent thereafter to date does not make it any longer attractive.

The replacement of the escudo and the French franc by the euro on January 1, 1999 should have meant a revision of the existing arrangement and invalidation of the CFA franc altogether in francophone African countries. But France still retains the authority to continue its present agreements with the Union économique et monétaire ouest-africaine (UEMOA), the Communauté économique et monétaire de l'Afrique centrale (CEMAC) and the Comores as Portugal was also authorised to continue its present agreement with Cape Verde since the date of introduction of the euro.

This arrangement, which was a quid pro quo for the French 'guarantee' of convertibility, was probably intended to continue to keep the former colonies under perpetual control as it stipulated that foreign exchange reserves must exceed money in circulation by a margin of 20 percent. Did France envisage that this arrangement could one day be challenged by any francophone country? Probably not. Although France, by its political and economic contrivances seemingly had no big plans for Francophone Africa, they are now demanding it by themselves. Supporting the tenure extension of Ouattara in Côte d'Ivoire, or glossing over the installation of the military in power as in Chad in 2021, may not always help France to retain its hold on these countries. Chad has just demonstrated it a few weeks ago as it announced that it will no longer continue with the military pact with France. In the not too distant future, it will not be surprising if Chad decides to join the Alliance of Sahel States (ASS or AES). France should be prepared for more shockers as its former colonies wrestle with it for their self rule without France's interference. France now has reasons to rethink its place in the economy of Europe. But it may not remain the same again after African countries have become free from its stranglehold.

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