NEWS

Job market to add 170m roles

THE WORLD ECONOMIC FORUM (WEF) has projected a transformation in the global labour market, with 22 percent of jobs expected to be disrupted by 2030, resulting in 92 million job displacements and the creation of 170 million new jobs, equating to a net increase of 78...

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FINANCE & INVESTMENT

EBRD marks record €16.6bn investment

THE EUROPEAN BANK FOR Reconstruction and Development (EBRD) delivered a record €16.6 billion in investments across its economies in 2024, a 26 per cent increase over the previous year.

Total mobilisation – the overall amount of investment the Bank...

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COMMENT

Pan-Africanism after Lome

LOMÉ, THE CAPITAL city of Togo, will be hosting the 9th Pan-African Congress in the coming months. This highly significant event for the African world and Afro-descendants, which is part of the implementation of the 2021-2031 Agenda of the African Union's...

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Nigeria's Financial & Business Newspaper
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TOWARDS MORE EFFICIENT MARKETS

Customers groan as 9mobile makes endless promises to deliver

JOY AGWUNOBI

FOR MILLIONS OF NIGERIANS, MOBILE internet access is not a luxury but a necessity that bridges the gaps in education, business, and social interactions. But, for 9mobile subscribers, this necessity has become a source of endless frustration, with a growing number of telco subscribers raising their voices against what they describe as unethical practices by the telecom provider.

From automatic data renewals without consent to chronic network outages, the frustrations of subscribers paint a troubling picture of a service provider practically out of touch with its customers' needs.

Subscribers have alleged that after paying for data subscriptions, they often cannot access the internet. Some report that expired subscriptions are renewed automatically, further compounding their woes. This recurring issue, paired with the company's inability to provide reliable services, has left many questioning the ethics and viability of the network provider.

Speaking to affected customers paints a grim picture of the dissatisfaction and frustration of the situation. Chidera Igbokwe, a loyal 9mobile user, shared that his experience has been nothing short of frustrating. He described a series of incidents that left him questioning the ethics of the company he once trusted.

"They took my money, and if the network cannot deliver the service, it should not take my money, that is deception," Igbokwe lamented, recounting his ordeal, he stated, "Last month, I paid for a monthly subscription, but I couldn't use it to browse for even one day. It just expired like that. The most painful part is that they automatically renewed it again this month, without my consent. It's heartbreaking because my money was just wasted like that."

The challenges Igbokwe faces go beyond financial losses; they also affect his ability to stay connected and manage essential tasks. He expressed his disappointment with the network's failure to address these issues or offer any form of

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Hardships: Hope rises as experts see Nigeria's inflation cooling off in 2025

ONOME AMUGE

As Nigerians eagerly await the upcoming inflation data report, inflation, which soared to a three-decade high of 34.6 per cent in November 2024, is predicted to decline significantly in 2025, sparking cautious optimism among analysts.

In a potential glimmer of hope for Nigeria's economy, analysts and economists alike, assert that inflation would moderate this year, creating conditions for a possible easing of the monetary policy rate (MPR) and a rebound of the naira, considered a welcomed development in Nigeria's fight against price surge.

Nigeria's inflation rate is predicted to fall to 27.1 per cent by December 2025, according to a recent report by the Nigerian Economic Summit Group (NESG) and Stanbic IBTC Bank.

This projection provides a glimmer of hope to businesses and consumers facing extended economic challenges, suggesting that structural reforms are bearing fruit despite lingering difficulties.

The forecasted decline in inflation also offers a potential lifeline to businesses struggling with high operational costs and consumers grappling with skyrocketing prices, signalling that the economy may be slowly but surely turning the corner.

Amid ongoing concerns about Nigeria's economic stability, inflation has remained a key issue driven by rising fuel costs and currency

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President Bola Tinubu (r) and the visiting Chinese minister of Foreign Affairs, Wang Yi at the Presidential Villa in Abuja recently.

TRAVELLER & HOSPITALITY

Nigeria explores tech for airports

NIGERIA IS EXPLORING GLOBALLY opportunities to acquire cutting-edge technological solutions to bolster safety, operational efficiency and sustainability across its airports, it has emerged...

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Nigerians demand quality service

ACROSS NIGERIA, a wave of discontent is rising as telecom operators propose a 100 per cent increase in tariffs for calls and data...

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Alt. cocoa takes centre stage

COCOA EMERGED AS THE best-performing commodity in 2024, outpacing even bitcoin and solidifying its status as the most lucrative crop...

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VISIONARY VOICES

Fintech Must Embrace Universal Inclusion

WASHINGTON, DC – The world has made remarkable progress in advancing financial inclusion in recent years. In the decade beginning in 2011, the share of adults with access to financial services rose a whopping 50%, to more than three-quarters. But we still have a long way to go in creating a truly inclusive financial...

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We are relatively cautious about what we buy when the stakes are high. But do we apply the same level of scrutiny to the most important investments of our lives – choosing a partner or a career path? Divorce and turnover rates suggest not...

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Hardships: Hope rises...

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devaluation.

The removal of fuel subsidies and the liberalisation of the foreign exchange market in 2024 further exacerbated inflationary pressures, pushing prices across sectors to new heights.

However, according to the NESG-Stanbic IBTC Business Confidence Monitor report, these pressures are expected to gradually ease in 2025, offering a glimmer of hope that the worst of the inflation storm may have passed.

According to the report, headline inflation is projected to remain high throughout the first three quarters of 2025 before making a substantial decline in the fourth quarter.

"We expect headline inflation to remain sticky in 9M:25 but settle below 30.0 per cent from September 2025 as high petrol cost gets smoothened out of the year-on-year headline inflation, barring any unexpected negative shocks to petrol prices.

"This expectation, in addition to our prognosis on the USD/NGN pair, fiscal deficits, and food supplies, informs our forecast that the headline inflation may average 30.5 per cent y/y in 2025 and settle at 27.1 per cent by December 2025."

With the projected easing of inflation, the Central Bank of Nigeria's Monetary Policy Committee (MPC) is anticipated to adopt a more accommodating monetary policy stance towards the end of 2025, potentially reducing interest rates to stimulate economic growth.

The report suggests that the MPC's focus on controlling inflation will shift towards promoting economic expansion as inflationary pressures begin to subside.

Inflation outlooks from analysts at Afrinvest Research and the Economist Intelligence Unit (EIU) also suggest a potential decrease in the prices of goods and services in the Nigerian economy, which could provide a much-needed reprieve for Nigerians whose incomes were strained by rising costs in 2024.

While Afrinvest Research forecasts inflation dropping to 24.6 per cent, the EIU projects a slightly higher figure of 27.7 per cent.

According to analysts, both projections, if realised, could mean a strengthening of purchasing power for Nigerians, allowing them to buy more with their wages and savings. Bismarck Rewane, CEO of Financial Derivatives Company, also provided a cautiously optimistic, yet still concerning, outlook for the Nigerian economy's inflation. He anticipates a potential easing of inflation in the second half of the year, which would provide relief to strained household budgets and businesses' profits.

Speaking at the First Bank outlook entitled 'Nigeria 2025: Path to Economic Rebound & Recovery', the renowned economist stated, "The moderation in inflation is not going to be as low as we expected. We're going to be seeing 25 or 27 per cent by the end of the year with some luck."

Rewane also pointed out that high inflation is likely to keep monetary policymakers from cutting interest rates, as doing so could further fuel inflation. Instead, he noted that interest rates will remain high until inflation starts to decline in the latter part of the year.

Analysts from Cordros Securities have also weighed in, providing three potential scenarios for inflation in 2025.

"For the base case, we expect the base price of PMS to range from N1,100/litre – N1,200/litre; the currency to trade between N1600.00/USD to N1950.00/USD in the Nigerian Foreign Exchange Market (NFEM); and electricity tariff hike of 15.0% resulting in a full-year average inflation rate of 32.40% y/y (2025 expected average).

"For the bull case, we assume PMS prices to range from N900.00/litre – NGN1,100.00/litre; the currency to trade between N1,300.00/USD to N1,650.00/USD in NFEM and no progressive hike in electricity tariff, leading to a full-year average inflation rate of 28.91% y/y (2025 expected average).

"Meanwhile, for the bear case, we posit PMS prices above NGN1,200.00/litre, a currency depreciation above NGN2,000.00/USD at the NFEM, and an electricity tariff hike of more than 15.0% bringing the full-year average inflation rate to 34.93% y/y (2023 average)," they stated.

In their analysis of Nigeria's monetary policy, the analysts from Cordros Securities anticipate that the Monetary Policy Committee will likely hold the policy rate steady, following a possible increase of 25 basis points in January 2025. They then expect the first rate cut to happen in November 2025, reducing the Monetary Policy Rate to 27.25 per cent by the end of the year.

The analysts believe that maintaining restrictive interest rates is necessary to control still-elevated inflation risks and the existing negative real rate of return.

Cordros Securities also highlighted a potential worst-case scenario in which the naira exchange rate deteriorates beyond N2,000.00 per dollar and petrol prices spike above N1,200.00/litre. Under these circumstances, they predict that inflation could spiral out of control, necessitating further rate hikes by the MPC to curb rising prices.

Despite the potential easing of inflationary pressures in the Nigerian economy, several challenges such as currency depreciation, food inflation caused by insecurity and climate change, high energy costs, and elevated logistics expenses, could impede the pace of inflation decline in the country, as highlighted by Veriv Africa.

"The inflation rate is projected to average 31.81% in a bull case scenario, 34.52% in a base case scenario, and 37.16% in a bear case scenario. This will be a 1.75% improvement (base case) from an estimated average of 32.77% in 2024," the leading data insights company stated.

President Bola Tinubu, in its 2025 restoration budget, said inflation will drop to 15 per cent which financial experts described as too optimistic.

L-R: Adedapo Segun, chief financial officer, Nigerian National Petroleum Company (NNPC) Limited; Wale Edun, minister of finance; and Mele Kyari, group chief executive officer, NNPC Limited, after their meeting focused on the latest advancements in Nigeria's oil sector, at the finance headquarter, in Abuja, recently.

Customers groan...

Continued from Page 1

compensation. "What is more painful is that this number is my main line. They don't even acknowledge the problems. Instead, they dare to send messages, saying the subscription will expire soon. How can something expire when they haven't delivered the service? I didn't use it for even one day," he lamented.

"I've been using this number for years. It's not something I can just change easily because so many people already have it. You know how some people won't even answer calls from unfamiliar numbers. That's why I'm stuck with it and have to endure their rubbish," he further explained.

However, despite his frustrations, Igbokwe has had to find alternatives to stay connected. "For a while now, I've been able to surf the internet and complete online transactions using an Airtel Mifi. It's the only way I can get anything done online," he added. Another subscriber, Damilola, stated, "For weeks, my phone would not receive any network signal, it just went blank. Since December last year, the 9mobile network in my area has been completely down, I couldn't receive calls, send SMS, or access the internet. I now rely on my MTN SIM as a substitute."

Damilola added that her experiences have pushed her to stop using 9mobile altogether:

"I no longer recharge or do monthly subscriptions with the SIM. One time, I recharged 1,000, but I couldn't make calls because there was no signal. It was as if I didn't have any airtime. If the company knows they can no longer render good service, they should just leave the telecom space. Let us know we have only three telecom companies instead of frustrating us."

The issues extend beyond individual subscribers and into the corporate world. Oluwatobiloba, an employee at an HSC firm, recounted how 9mobile's poor services disrupted operations at her workplace: "We used 9mobile as our official network, but the frequent outages made it impossible for customers to reach us. We had to switch to MTN to maintain our clientele base and operate smoothly."

Uzoma Favour also explained that her experience with 9mobile has been nothing short of exasperating. She described the network provider as frustrating and unreliable, leaving subscribers to grapple with unmet expectations and wasted resources.

"Using 9mobile has been a nightmare; nothing works," Favour stated angrily. "I buy recharge cards, but I can't make or receive calls. I subscribe for data, but I can't use social media or access the internet. The data just sits there, unused, until it expires. What kind of network operates like that? If they know we won't get value for our money, why do they let us subscribe or recharge at all? It's unfair."

Favour's frustrations are not limited to failed connectivity. She recounted how the network's poor service disrupted her attempts to access essential banking services. "Recently, I tried to set up my mobile banking app. Since the 9mobile number is what I registered with at the bank, they needed to send a one-time password (OTP) to my line before I could proceed," she explained.

However, the process hits a dead end. "The OTP never came because there was no service on my 9mobile line. I had no choice but to visit the bank to request a change of phone number on my account. I had to update it with my Airtel number just so I could set up my mobile app," she added.

The struggles of 9mobile are not new. Once a leading telecom brand in Nigeria under the Etisalat banner, the company's fortunes have dwindled over the years with operational challenges that have left its 3.3 million subscribers questioning its reliability.

The network provider's persistent outages, often attributed to vandalism, technical failures, and infrastructural shortcomings, have become an almost routine occurrence. These issues, coupled with the company's inability to adapt to the demands of its subscribers, have cast a shadow over its survival in the highly competitive telecom market.

Subscribers who initially placed their faith in the company's revival under new management have been left disappointed. Following its acquisition by LH Telecommunication Limited last year, there were high hopes that the new leadership would steer the company towards operational excellence. However, despite assurances of transformation, 9mobile's struggles remain a stark reality.

Speaking during a recent Zoom call, Obafemi Banigbe, CEO of 9mobile, outlined an ambitious plan to revitalise the telco's operations. Banigbe disclosed the company's plan to invest $3 billion to overhaul its network infrastructure in a bid to regain its competitive edge and improve customer experience.

"9mobile, originally launched as Etisalat, has faced over a decade of underinvestment," Banigbe noted. "This chronic neglect has led to significant network degradation, service disruptions, and a steady loss of subscribers." He noted that the lack of critical infrastructure investment had hampered the company's ability to deliver quality services and compete effectively in Nigeria's telecom market.

To address these challenges, Banigbe unveiled a comprehensive four-phase strategy designed to stabilise and transform the company. The roadmap includes: stabilisation, modernisation, transformation, and growth.

The CEO expressed confidence in the company's ability to bounce back through strategic infrastructure investments and partnerships for resource sharing. "We are committed to resolving the issues that have plagued us for years. By investing in infrastructure and leveraging partnerships, we aim to deliver a superior customer experience that will restore confidence in 9mobile," Banigbe emphasised.

While these plans hold promise, the road to recovery remains steep. For many subscribers, the company's ability to deliver on these commitments will determine its future in the market. Until tangible improvements are realised, the frustrations of loyal customers and the scepticism surrounding 9mobile's operations will persist.

Global job market to add 170m roles by 2030, skills deficit looms- WEF

Bamidele Famoofo

THE WORLD ECONOMIC FORUM (WEF) has projected a transformation in the global labour market, with 22 percent of jobs expected to be disrupted by 2030, resulting in 92 million job displacements and the creation of 170 million new jobs, equating to a net increase of 78 million jobs worldwide.

The WEF made the projection in its recently released Future of Jobs Report 2025, where it identified technological advancements, demographic shifts, geoeconomic tensions and economic pressures as the key drivers of these changes, reshaping industries and professions worldwide.

The report draws upon data from over 1,000 companies worldwide, finding that the skills gap remains a key barrier to business transformation, with nearly 40 percent of required job skills expected to change and 63 percent of employers citing it as their primary challenge.

Technology skills related to artificial intelligence, big data, and cybersecurity are expected to be in high demand, yet the importance of human skills, such as creative thinking, resilience, flexibility, and adaptability, are expected to persist.

According to the report, as the labour market undergoes significant shifts, frontline roles and essential sectors such as care and education are projected to see the highest job growth by 2030.

Meanwhile, advancements in AI and renewable energy are set to alter the job landscape, with an increase in demand for roles requiring specialized skills in these fields, while other roles, such as graphic designers, may face decline due to technological advancements.

In his analysis of the rapidly changing employment landscape, Till Leopold, head of work, wages and job creation at the World Economic Forum, identified key trends such as generative AI and rapid technological shifts as driving forces that are radically altering industries and labor markets, presenting both promising opportunities for growth and development, while also presenting profound risks.

"The time is now for businesses and governments to work together, invest in skills and build an equitable and resilient global workforce," Leopold said.

President Bola Ahmed Tinubu, congratulating Ghana President, John Mahama after the swearing in in Accra Ghana recently.

The job market in 2030

The World Economic Forum's report identified the sectors most likely to experience job growth between now and 2030, with frontline roles such as farmworkers, delivery drivers, and construction workers projected to see the highest increase in absolute numbers.

Career paths in the healthcare and education sectors, including nursing professionals and secondary school teachers, are also expected to experience substantial growth due to demographic shifts and the increasing demand for these essential services.

The report indicates that specialties such as AI, robotics, renewable energy, and environmental engineering will see a rise in demand for specialised roles.

However, this shift will also result in declining roles, such as cashiers and administrative assistants, being joined by creative positions like graphic designers, whose jobs may be impacted by the rapid proliferation of generative AI in the marketplace.

The skills gap

The report finds that the skills gap persists as the most significant barrier to business transformation and future-proofing, with 63 percent of employers identifying it as a primary obstacle.

Based on the findings, it stated that if the global workforce were represented by a group of 100 people, 59 of them would require reskilling or upskilling by 2030, with 11 unlikely to receive the necessary training. This translates to over 120 million workers at medium-term risk of redundancy.

According to the report, while technical skills in AI, big data, networks, and cybersecurity are expected to see rapid growth in demand, human skills such as analytical thinking, cognitive skills, resilience, leadership, and collaboration will continue to play a crucial role in the workplace.

As the labour market evolves, individuals who possess a combination of both technological proficiency and human skills will be best positioned to thrive in the growing job market.

AI and Upskilling

The report observed that artificial intelligence is not only impacting individual job functions but also redefining entire business models. In fact, 50 percent of employers worldwide intend to pivot their business models to capitalize on the opportunities presented by AI.

In order to align their workforce with these strategic shifts, 77 percent of employers plan to invest in upskilling their employees.

Despite the opportunities for upskilling, the report also projected that AI-driven disruptions will lead to workforce reductions in some sectors. This is as 41 percent of employers plan to reduce their workforce due to automation of certain tasks by AI.

However, the report indicates that almost half of employers are exploring avenues to transition employees affected by AI disruption into other areas of the business, which presents an opportunity to address skills shortages while mitigating the human impact of technological transformation.

The report suggested that in the face of the rapid growth of emerging technologies, it is imperative for key stakeholders, including business leaders, policy-makers, and workers, to collaborate closely to develop workforce strategies that harness the transformative potential of AI while minimising the risks of unemployment and ensuring a fair and equitable transition.

Beyond technology: Economic, demographic and geoeconomic shifts

Global inflation, while easing, is still exerting considerable pressure on businesses, resulting in a projected displacement of six million jobs by 2030, according to the WEF's findings. This rising cost of living is anticipated to impact business models, with half of employers expecting to adapt accordingly.

The report further noted that skills such as resilience, agility, flexibility, and creative thinking will be essential for addressing these challenges, ensuring that businesses can maintain their competitiveness and workers can adapt to new opportunities.

"Demographic shifts are reshaping labour markets, with ageing populations predominantly in higher-income countries driving demand for healthcare roles and expanding working-age populations in lower-income regions fuelling growth in education professions. Workforce strategies focused on improving talent management, teaching and mentoring skills are essential to bridging these gaps," the report stated.

Amidst the sweeping changes outlined in the report, the WEF recommended urgent and collective action across government, business and education. Key priority areas highlighted include bridging skills gaps, investing in reskilling and upskilling initiatives and creating accessible pathways into fast-growing jobs and skills that are seeing fast growth in demand.

"By prioritizing equitable and inclusive workforce transitions and strategies – and supporting workers through these transformations – stakeholders can build a resilient and adaptable global workforce that is prepared to thrive in the jobs of tomorrow," the report concluded.

CBN halts extension for export proceeds repatriation

Onome Amuge

THE CENTRAL BANK OF NIGERIA (CBN) has suspended approvals for the extension of export proceeds repatriation on behalf of exporters, affecting both oil and non-oil export transactions.

The CBN, in a circular dated January 8, 2025, stated that the decision is in compliance with existing foreign exchange regulations, and aims to ensure that exporters repatriate the proceeds of their transactions within the prescribed timeline.

According to the apex bank, the move is expected to help stabilise the country's foreign exchange market and maintain the value of the naira against other currencies.

In the circular issued by the apex bank, W.J. Kanya, the acting director of the trade & exchange department, outlined provisions from the Foreign Exchange Manual (Revised Edition, March 2018) as the basis for the decision.

Specifically, the provisions cited were Memorandum 10A (23a) and Memorandum 10B (20a), which govern the repatriation of export proceeds by exporters within Nigeria.

The circular made clear that there would be no further extensions granted for the repatriation of export proceeds requested by authorised dealer banks on behalf of their customers.

Henceforth, exporters must repatriate their proceeds within the stipulated timelines as laid out in the Foreign Exchange Manual. This means that exporters must adhere strictly to the specified timeframes for returning their earnings to Nigeria, eliminating the possibility of further delays.

The CBN stipulated non-negotiable timelines for the repatriation of export proceeds in the circular.

According to the apex bank, non-oil export proceeds must be repatriated within 180 days from the bill of lading date, while oil and gas export proceeds must be repatriated within 90 days. It also stated that these timelines are non-negotiable.

"With effect from the date of this circular, the Central Bank of Nigeria will no longer approve requests for extension of repatriation of export proceeds by Authorized Dealers on behalf of their customers.

CardinalStone Securities tops NGX rankings for third consecutive year

Onome Amuge

CARDINALSTONE SECURITIES Limited has solidified its position as the market leader by once again achieving the top spot on the Nigerian Exchange's (NGX) league tables for the year 2024, both in terms of volume and value of trades.

The accomplishment marks the third consecutive year that CardinalStone has ranked first among its peers, demonstrating its commitment to excellence, innovation, and providing client-focused solutions.

The recently released Broker Performance Report for the year 2024 acknowledges the influence wielded by the top 10 stockbrokers in Nigeria, both in terms of the value and volume of trades.

Top 10 brokers by value

Cardinalstone Securities Limited emerged the dominant player in the stockbroking landscape, securing the number one position in the list of top brokers by value for the year 2024.

The brokerage's outstanding performance yielded a total market value of N696.03 billion, which represents 12.19 percent of the total market value traded on the NGX for the year.

Stanbic IBTC Stockbrokers Limited, a long-standing player in the Nigerian capital market, occupied the second spot with a total market value of N642.82 billion, representing 11.26 percent of the total market value traded on the NGX for the year.

Lagos commits to sustainability with N3.36trn 2025 budget

Onome Amuge

GOVERNOR BABAJIDE SANWO-OLU has officially signed the Lagos State N3.366 trillion 2025 Appropriation Bill into law.

The bill, named the "Budget of Sustainability," was submitted to the Lagos State House of Assembly (LAHA) on November 21, 2024, representing 32.5 percent increase from the N2.3 trillion budget of the previous year.

The Lagos State governor signed the Appropriation Bill into law at Lagos House, Ikeja, in the presence of Deputy Governor Obafemi Hamzat, Abimbola Salu-Hundeyin, secretary to the Lagos State Government and other high-ranking officials from the state government.

Governor Sanwo-Olu remarked that the budget represented the largest proposed so far by a sub-national entity and emphasised the importance of its proper implementation over the next 12 months, which he identified as a critical phase for the budget.

"It is with a deep sense of responsibility that we have signed this bill into law. The N3.36 trillion budget has N1.295 trillion earmarked as overhead costs and N2.07 trillion as capital expenditure. As you have heard, it will be the largest sub-national budget, and we are convinced that we will do justice to it. At the minimum, we aim to implement 90 to 95 percent," he said.

L-R: Adebanji Ola, head, corporate communications, Arik Air; Olamuyiwa Akande, group head, corporate communications, Sifax Group; Mide Akinlaja, managing director, Bravopoint International and executive producer, The Next Titan Nigeria; Kunle Olamuyiwa, country manager, Betano; Orebayo Ejiemhen, media manager, Lifemate, and representative of managing director, Nikky Taurus, Yemi Bankole, during press briefing of The Next Titan Nigeria Season 10 in Lagos, recently

Sanwo-Olu stated that achieving the "Greater Lagos ambition" would require high-quality infrastructure capable of meeting the demands of the state's growing population.

The governor also noted that his administration's focus is on ensuring that Lagos State's fiscal assets are durable, functional, and adaptable to cater to the evolving needs of its residents.

The governor identified five primary areas of focus for the N3.366 trillion budget including; infrastructure sustainability, economic diversification, social inclusion and human capital development, environmental sustainability, and governance and institutional reforms.

"Infrastructure sustainability is the backbone of any development agenda. Over the next three years, we will prioritize the maintenance, upgrading, and expansion of existing road networks," he said.

Sanwo-Olu also highlighted the importance of diversifying the Lagos State economy, stating that the state would rely on multiple sectors to build a resilient and robust economy.

The governor further disclosed that the budget allocated 62 percent of its total expenditure to capital projects, including infrastructure development, while 38 percent was reserved for recurring expenses such as salaries and administration.

According to him, the state plans to generate a substantial portion of its revenues, approximately N2.34 trillion, from internal sources, while federal allocations are expected to contribute N626.13 billion.

He also stated that to balance the budget, a deficit financing of N398.662 billion has been structured, ensuring financial prudence and responsible management of public funds.

Ope George, commissioner for economic planning and budget,provided additional information about the 2025 budget, further outlining the state's budgetary priorities.

George highlighted the significant allocations made for education and healthcare, with N223.3 billion and N222.2 billion respectively, stressing the state government's commitment to developing a skilled workforce and providing high-quality healthcare services to its citizens.

"Recognising the global urgency of environmental sustainability, we have allocated N287.2 billion to environmental initiatives, further demonstrating Lagos's leadership as the first state to establish a dedicated Climate Change Department and lead climate action at the sub-national level," he added.

George further underscored the importance of security and social welfare in the state's development agenda by outlining budgetary allocations of N140.9 billion for security and N37.3 billion for social protection.

He emphasised the critical role of these two areas in safeguarding the safety and well-being of Lagos residents, ensuring that the most vulnerable populations are supported and their needs are met.

Akwa Ibom to host new refinery as PETROAN seals partnership deal

Onome Amuge

THE PETROLEUM PRODUCTS Retail Outlet Owners Association of Nigeria (PETROAN) have signed an agreement with three major oil companies to build a 50,000-barrels-per-day refinery in Akwa Ibom State.

The agreement involving PETROAN, Claridge Petroleum Company Ltd, Oasis Petrochemical Products Limited and Afrintech, aims to alleviate Nigerians' reliance on expensive imported fuel by providing affordable petroleum products that are produced locally.

Billy Gillis-Harry, the national president of PETROAN, explained that the association had initially planned to import cheaper fuel but ultimately decided to establish a refinery in Akwa Ibom State.

According to Gillis-Harry, the decision to pursue a domestic refining solution was made after stakeholders, including PETROAN, reached a consensus to end fuel importation.

"The deal is that we have requested for them to not import for us but to set up a refinery in Nigeria, and they have agreed to that. So within the period that the process will be, they can be importing only diesel for us and maybe base oil; but PMS, we must have to do that locally," he stated..

Gillis-Harry reaffirmed that affordability would be a major consideration for consumers, noting that they are using the benchmark of pricing for affordability as a basis, which will give Nigerians a guarantee of a 'very sweet' deal.

The project is fully funded by the oil companies involved, with PETROAN acting as the primary off-taker for the refinery's output.

"We have agreed to set up 50,000 barrels for the refinery in Akwa Ibom. We are working on it. We have not completed the transactions. It may take another week or two weeks, but we are continuing the meeting and we'll see how this goes. PETROAN will fully be in control of the products that come out of it," he added.

Gillis-Harry dismissed concerns over financial and regulatory requirements, expressing confidence in the process.

According to him, the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) poses no barriers to licensing provided the necessary requirements and qualifications are met.

Nigeria's energy sector has faced longstanding challenges due to underinvestment and overreliance on imported fuel, but the planned refinery in Akwa Ibom represents a promising step towards addressing these issues.

The nation's refining capacity has recently been boosted by the Dangote refinery, one of the largest in Africa, and several modular refineries, which have contributed to local production. The planned refinery in Akwa Ibom is expected to build on this momentum, further alleviating the burden of fuel imports and promoting energy self-sufficiency.

CBN introduces new financial products for Nigerians in the diaspora

Joy Agwunobi

THE CENTRAL BANK OF NIGERIA (CBN) has announced the introduction of two new financial products designed to serve Nigerians living abroad.

These new offerings - the Non-Resident Nigerian Ordinary Account (NRNOA) and the Non-Resident Nigerian Investment Account (NRNIA), are tailored to enhance remittances, investment opportunities, and financial management for the diaspora community.

In a circular issued by the Trade and Exchange Department of the apex bank and signed by Acting Director W. J. Kanya, the CBN described the initiative as a step toward increasing the contribution of Nigerians in the diaspora to the nation's socio-economic development. The document stated, "The Central Bank of Nigeria is pleased to inform the general public of the introduction of the Non-Resident Nigerian Ordinary Account and Non-Resident Nigerian Investment Account targeted at Nigerians in the diaspora."

Effective from January 1, 2025, eligible non-resident Nigerians will be able to open either of these accounts, provided they meet Know Your Customer (KYC) requirements, with further guidelines and frequently asked questions (FAQs) to be released soon. The policy aligns with existing provisions, including Memorandum 17 of the CBN Foreign Exchange Manual (2018).

The NRNOA will enable Nigerians abroad to remit their foreign earnings to Nigeria and manage funds in both foreign and local currencies. It is designed to support seamless financial transactions and provide flexibility for account holders to maintain balances in either foreign currency or naira.

Similarly, the NRNIA is aimed at facilitating investments in Nigeria's financial markets, allowing account holders to participate in opportunities such as the Diaspora Bond and other locally issued debt instruments.

According to the circular, both accounts will offer a secure and efficient platform for fund management, reducing reliance on third parties for meeting local commitments.

The CBN emphasised that this policy aligns with Memorandum 17 of the CBN Foreign Exchange Manual (2018) and aims to strengthen financial ties between Nigeria and its diaspora community.

SEC moves to review framework on govt., corporates borrowing

Bamidele Famoofo

THE SECURITIES AND EXCHANGE COMMISSION (SEC) has said it would improve the regulatory framework on borrowing by governments and corporates.

Emomotimi Agama, director general of the commission, said this has become important given the Supreme Court order on direct subvention from the federal government to the 774 local government areas

Agama noted the critical role borrowing plays in the financial system and the commission want to be sure of sustainability in both government borrowing, municipal and state governments.

He said, "Improving the framework for borrowing is very important because borrowing is part of the financial system and we can only make much of the move we want to make if there is enough funding".

"It therefore becomes important that we have in the management of such resources via strategic and focused borrowing to help the developments in those sectors".

For corporates, the SEC DG said the Commission is changing the landscape with the new rules on Central Counter Parties adding that the new rules on CCPs have become so critical for Nigeria's development, especially for corporates in raising capital.

"As a Commission we have established those new rules and they are going to be functional in 2025. We want to make borrowing a seamless and effortless process for Nigerian companies.

"It is very important that as we drive the growth of the Nigerian capital market, we also drive new products and new opportunities for every Nigerian".

Nigeria for a long time has been seen as a mono product market, but the commission wants to drive the introduction of derivatives into the capital market in 2025 to make the year different.

NGX chief, Popoola shares pan-African market vision at Ethiopian Securities Exchange launch

Bamidele Famoofo

TEMI POPOOLA, GROUP CEO of the Nigerian Exchange Group Plc (NGX Group), has reiterated the potential for Africa's capital markets to drive transformative economic growth across the continent, underscoring the importance of regional collaboration, increased cooperation between governments and private sector entities, as well as the need for innovation in market solutions.

Popoola highlighted the relevance of Africa's capital markets in advancing the continent's economic development at the recent launch of the Ethiopian Securities Exchange (ESX), held in Addis Ababa, Ethiopia's capital city.

The NGX chief described the launch of ESX as a pivotal moment for Ethiopia and the broader African financial landscape, noting that the ESX will serve as a crucial mechanism for capital formation and market liquidity, driving sustainable economic growth.

Popoola expanded upon the company's rationale for investing in the Ethiopian Securities Exchange, pointing to Ethiopia's enormous potential as a market, considering its strong economic growth, large population, and increasing domestic demand. He also stressed the shared vision of NGX Group and ESX to drive economic development through innovation.

Peter Mbah, governor, Enugu State received Chinedu Ani (Nedu Wazobia), podcast host, and Chukwudi Ezugwu (husband material), in preparation of the upcoming Enugu Fest, in Enugu recently

"Our partnership transcends traditional investment parameters. It is about ensuring that ESX evolves into a key player in Africa's financial ecosystem, enabling cross-border investments and setting benchmarks for market development," he said.

Drawing inspiration from India's economic transformation buoyed by its capital markets, Popoola emphasised the key role that responsible market opening plays in attracting domestic and pan-African capital. He stated that by adopting a similar strategy, Ethiopia could position itself as a leading financial hub in Africa.

Prime Minister Abiy Ahmed commended the launch of ESX as a transformative milestone in the country's journey toward economic modernisation.

"Today, we have officially rung the bell to launch the Ethiopian Securities Exchange, our nation's first stock exchange," he stated on X.

He described the development as a call to global investors, dwelling on the assertion that Ethiopia offers immense potential, a fast-growing economy, and a clear trajectory toward shared prosperity.

On his part, Tilahun Esmael Kassahun, CEO of the Ethiopian Securities Exchange, expressed confidence in the partnership with NGX Group, emphasising the value of NGX Group's expertise in shaping ESX's growth and success.

"We are pleased to welcome NGX Group as a strategic partner, building upon the existing support we continue to receive from them," he said.

Aba Power offering lowest electricity tariff amid NERC hike- southeast consumers

Business a.m.

ABA POWER CONTINUES TO maintain the lowest electricity tariff among Nigeria's 12 distribution companies, despite the recent decision by the Nigeria Electricity Regulatory Commission (NERC) to increase tariffs by 50 percent effective January 1, 2025.

The Southeastern Zone of the Electricity Consumers Association of Nigeria (ECAN) disclosed this in a statement issued after its New Year meeting in Awka, Anambra State.

On December 30, 2024, the NERC approved Aba Power's upward adjustment of its electricity tariff for Band A customers who receive at least 22 hours of supplies daily, from N117 per kilowatt hour (kWh) to N176.50, representing a 50 percent increase.

The NERC's tariff adjustment for Aba Power was granted eight months after the regulatory body approved a minimum of N209.80 kWh for Band A customers of all other electricity distribution companies (DisCos) in the country, except for Port Harcourt Electricity Distribution Company (PHEDC), which was approved to charge N230 per kWh.

"This means that Aba Power still charges far the lowest in Nigeria", says the electricity consumers association in a press statement jointly signed by Joe Ubani, the ECAN zonal chairman,and Chris Okpara, the secretary.

In addition to the tariff adjustment, ECAN discussed the challenges facing Aba Power, which had to struggle against "deliberate man-made obstacles" for two decades before its inauguration in February last year by Vice President Kashim Shettima on behalf of President Bola Tinubu.

Given these challenges, ECAN expressed the hope that the tariff adjustment will enable Aba Power to 'weather the economic storm' of operating in naira while paying for equipment and staff in dollars, ultimately allowing the company to remain resilient in a challenging economic climate.

ECAN lauded Aba Power for the radical improvement in recent times in electricity supply to the Aba Ring Fence, which comprises nine of the 17 local government areas (LGAs) in Abia State.

"We are very delighted", continued the group, "that there has been not a second blackout in many places since December 16 when the Nigerian National Petroleum Company Limited (NNPCL) and its partner, Heirs Energies, resumed gas supply to the 18-megawatt Geometric Power Plant in the Osisioma Industrial Layout of Abia which is linked to the Oil Mining Licence (OML) 17 in Owaza, Ukwa west Local Government Area, by a 27-kilometre gas pipeline," the association stated.

Following punctures in the Rivers State section of the Eastern Gas Gas Network, electricity supply in areas serviced by Aba Power was disrupted for two weeks.

Despite this setback, ECAN expressed confidence in Geometric Power's ability to run the two additional General Electric (GE) turbines installed at the site once gas supplies improve, enabling the company to produce excess electricity that can be exported to other regions of the country.

This, in turn, is expected to contribute to increased electricity availability across Nigeria.

Rebasing to drive Nigeria's $1trn GDP, lower inflation, targets- Analysts

Business a.m.

NIGERIA'S PLAN TO REBASE the nation's gross domestic products (gdp) and consumer price index that measures headline inflation is expected to make key macroeconomic indicators look good.

The programme, which analysts think is overdue to reflect most recent economic data, was last conducted in 2014. The exercise at the time lifted Nigeria's gross domestic product by about 89% to $510 billion.

However, the economic size has reduced sharply due to exchange rate weakness, andan unstablee price level has nudged inflation to red territory, which is currently damaging to private sector performance.

Giving plan to include other economic activities from various segments that have emerged, Nigeria's GDP may be close to $1 trillion after the exercise is completed, from about $400 billion.

For the gross domestic product rebasing plan, the National Bureau of Statistics planned to change the base year for real GDP computation to 2019 from 2010. This is expected to jerk up nominal economic balance sheet size.

The authority also plans to extend coverage of more areas such as the digital economy, pension fund administrators, the National Health Insurance Scheme, the Nigerian Social Insurance Trust Fund, modular refineries, domestic households as employers of labour, and illegal & hidden activities. For inflation, the Bureau aims at changing the price reference period to 2024 from 2009.and adjust the weighting of items in the CPI Basket using the 2023 reference period. Nigeria also plans to increase the number of items in the CPI basket to 960 from 740 the statistics office is currently using.

There will be inclusion of other key indexes such as services, energy, farm produce, and goods amidst the plan to digitise data collection processes. It also seeks the conduct of a national census of retail outlets with the inclusion of online retail outlets and plans to use a short-term relative index instead of a long-term relative index.

The NBS expects to launch the results of the rebasing at the end of January 2025 after validation. "We expect the GDP rebasing exercise to result in a higher nominal GDP as newer economic activities, industries, and services are incorporated. Consequently, we expect a significant decline in the key economic ratios, including debt-to-GDP ratio, tax-to-GDP ratio, fiscal deficit-to-GDP ratio, etc.", Cordros Capital Limited said in a commentary note. Analysts said the adjustment of the price reference period for inflation to 2024 provides a more accurate reflection of current spending patterns shaped by structural economic changes and market reforms. However, the investment firm believes the revised CPI weights for inflation estimation could present a downside risk to its 2025 base-case inflation projection. This risk primarily arises from the reduction in the weight of food and non-alcoholic beverages, where prices have risen at a faster pace, despite the proposed increase in the weight of core items.

These adjustments, including potential declines in key economic ratios and headline inflation, are expected to have a significant impact on fiscal and monetary policy direction in 2025, analysts said. "In our view, the rebasing exercise is overdue given the last exercise for GDP and CPI was completed in 2014 and 2009, respectively.

"Given the transition in the economy induced by demography, global trends, and policy, for example, the increasing prominence of digitalisation, young median population age, and growing diaspora links, an economy such as Nigeria may need to revise GDP and CPI bases more frequently than it has taken," Afrinvest Limited said in a note.

Analysts laud the efforts at expanding surveys and studies to inform the revisions, as well as efforts that may reduce informalisation of the economy. Also, emphasis on the Digital Economy and Mining sector should unlock growth levers, provided there is sufficient policy support to drive investment interest in the sectors. Overall, the new structure would be useful for designing more effective monetary and fiscal policies, which could enhance the effectiveness of economic planning.

Afrinvest recalls that the 2014 rebasing exercise boosted the Nigerian economy to about $510.0 billion from about $270 billion. However, foreign exchange quagmire and productivity challenges have since shrunk the economy to $363 billion based on N646.42 per US dollar average official exchange rate in 2023, according to Afrinvest.

"While the expansive revision to GDP might enhance overall nominal GDP size—a positive for the President Bola Tinubu-envisioned trillion-dollar economy—policymakers must look beyond statistical effects to drive sustainable growth," analysts said.

Similarly, a potential decline in debt-to-GDP must not derail efforts to enhance fiscal discipline and sustainable debt growth, Afrinvest Limited added.

Annual average inflation in 2024 to hit 33.21% - Report

Bamidele Famoofo

THE NATIONAL BUREAU OF STATISTICS (NBS) is set to release its December 2024 inflation report this week, and early projections from Cowry Research suggests a rise in headline inflation to 35.20 per cent, up from 34.60 per cent recorded in November 2024.

This marks a continuation of the inflationary trend observed over the past months.

The annual average inflation rate for 2024 is also expected to climb significantly, reaching 33.21 per cent , compared to 24.52 per cent in the preceding year, underscoring persistent price pressures across the economy.

Several factors have contributed to this anticipated rise in inflation. The festive season played a critical role, as heightened demand for goods, services, travel, and accommodation during the holiday period exerted significant upward pressure on prices.

This seasonal spike in spending added to an already challenging inflationary environment, driven by structural and economic issues.

The depreciation of the naira has remained a key factor fuelling inflation. The weakened currency has increased the cost of imports, particularly affecting essential commodities and consumer goods.

Additionally, energy costs have continued to soar following the removal of fuel subsidies, further compounding inflationary pressures. This has had a ripple effect on transportation costs and production expenses, both of which have significantly contributed to rising prices across various sectors.

Food inflation continues to dominate as a major driver of overall inflation. The disruption of agricultural production and distribution due to recurring insecurity and flooding in key farming regions has led to sharp increases in food prices. In November 2024, food inflation surged to 39.93 per cent year-on-year, compared to 32.84 per cent in November 2023, and this trend is expected to persist into December.

Imported food inflation has also seen a steady increase, reflecting the higher costs of commodities such as fish, rice, and dairy products due to global price trends and local currency challenges.

Core inflation has equally exhibited an upward trajectory, reaching a historic high of 28.75 per cent year-on-year in November.

Transportation costs, influenced by high energy prices, have played a significant role, with transportation inflation rising to 30.54 per cent year-on-year from 29.26 per cent in October. While there was a marginal decline in the month-on-month core inflation rate from 2.14 per cent in October to 1.83 per cent in November, this provides little relief against the entrenched price pressures affecting consumers and businesses alike.

Regional disparities in inflation have remained pronounced. States such as Bauchi, Kebbi, and Anambra recorded the highest year-on-year headline inflation rates in November at 46.21 per cent , 42.41 per cent , and 40.48 per cent , respectively, while Delta, Benue, and Katsina reported the lowest rates.

Similarly, food inflation varied significantly across states, with Sokoto, Yobe, and Edo experiencing the highest year-on-year rates at 51.30 per cent , 49.69 per cent , and 47.77 per cent , respectively. On the other hand, states like Kwara, Kogi, and Rivers saw the slowest food inflation rates.

The inflationary environment in Nigeria remains a cause for concern, with various economic, structural, and seasonal factors converging to push prices to record levels. The anticipated December inflation figures are expected to highlight the deepening cost-of-living crisis and the urgent need for targeted interventions to address these challenges.

Despite the Central Bank of Nigeria's (CBN) tight monetary policy stance, including raising the benchmark interest rate to 27.50 per cent in November, inflationary pressures have proven resistant. Structural bottlenecks such as inadequate infrastructure, high energy costs, and logistical inefficiencies continue to undermine the effectiveness of monetary policy measures, leaving consumers and businesses grappling with escalating costs.

While inflationary pressures may begin to moderate in 2025 due to base effects, the method of financing the Federal Government's projected budget deficit of N13.08 trillion for 2025 could create additional inflationary pressure.

Electrifying rural Africa: The role of decentralized power generation

Decentralized power generation — typically based on solar home systems and mini-grids — is the best bet to eradicate energy poverty among people in more isolated rural areas

NJ AYUK

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

THINK ABOUT A TIME when your electricity went out. As you sat in the dark, maybe you wondered how long it would be before you could power up your computer again. Or perhaps you considered what you could make for dinner that didn't require cooking.

Many people in Africa don't need to imagine such a scenario — they live it. Every day.

A large portion of the continent, primarily in sub-Saharan Africa, lacks access to reliable and affordable electricity. This energy poverty represents a major barrier to improving the quality of life for nearly 600 million people and achieving sustainable development goals across the continent. In fact, Africa is the most energy-deficient continent in the world, with 75 percent of the world's population lacking electricity. And although urban dwellers aren't completely shielded from power outages, the extent of energy poverty is much more intense for rural populations.

Without reliable electricity, daily life can be challenging. Basic tasks like studying, working, and cooking become more difficult and time-consuming — if not downright hazardous. Relying on kerosene lamps or candles for illumination can be dangerous, both as a biohazard and a fire risk. These fuels are often inefficient and can lead to health problems like respiratory diseases and eye infections. The use of traditional fuels such as wood and animal dung for cooking and heating indoors releases harmful pollutants, leading to indoor air pollution. This is a major cause of respiratory illnesses and premature deaths, especially among women and children.

On a macroeconomic scale, energy poverty hinders economic development and limits access to basic human services like health care and education. Without power, essentials like refrigeration and medical equipment cannot be used. Businesses and industries that lack reliable power cannot operate efficiently, resulting in economic stagnation and stunted job creation. Energy poverty exacerbates social inequalities, as those with access to electricity have better opportunities for education, health care, and employment.

The State of African Energy 2025 Outlook, recently published by the African Energy Chamber (AEC) and available at https://EnergyChamber.org/, names three main challenges that African countries face in achieving universal access to electricity:

1. Expanding electricity access
2. Ensuring that energy remains affordable
3. Reducing dependence on fossil fuels, such as firewood and diesel generators used for lighting and cooking.

To combat these challenges, African countries are exploring a variety of solutions, including expanding access to electricity grids, promoting renewable energy sources like solar and wind power, and improving energy efficiency. However, significant challenges remain, including the high cost of infrastructure, limited financial resources, and a lack of technical expertise.

The key? Decentralizing power

In a sense, Africa is lucky: It's sitting on a veritable goldmine of solar and wind potential.

With its vast expanse of deserts and coastlines, Africa is blessed with abundant sunlight and strong winds. This makes it an ideal location for harnessing solar and wind energy. Many regions receive intense sunlight year-round, creating the ideal conditions for large-scale solar power plants. Meanwhile, the continent also boasts long coastlines and elevated areas that experience strong and consistent winds, making them suitable for wind power generation.

While there are challenges with renewables, such as the need for significant investment and infrastructure development, today's technology is advancing so rapidly that costs for renewables are becoming sustainable. This offers a unique opportunity to electrify Africa, in both urban and rural regions.

Until recently, efforts to electrify Africa have mostly relied on extending traditional grid connections and centralised power distribution. And investments to modernise and expand power grids are great — for people in urban centers. Unfortunately, these traditional grid situations do little for people in more isolated rural areas.

As we point out in our 2025 Outlook report, decentralized power generation — typically based on solar home systems and mini-grids — is the best bet to eradicate energy poverty among people in more isolated rural areas. As we see it, decentralised systems will be key for universal electrification. By decentralising power generation, Africa can secure a sustainable energy future and improve the lives of millions of people.

Standalone power systems or localised power networks (otherwise known as "mini-grids") have become efficient means of power that utilise solar in combination with battery storage and backup generators. These solar home systems are proving their worth in electrifying individual households in rural areas. As our report notes, we anticipate that options like these will be an increasing feature of the African power landscape as renewables penetrate the generation mix.

We are also seeing a dramatic uptick in off-grid systems to fill in the gaps left by the centralized grids. Our report found that Africa accounts for over 16 percent of the global decentralized renewable capacity, and off-grid solar solutions have as a result provided power to millions across sub-Saharan Africa.

Solar accounts for nearly 80 percent of Africa's decentralised renewable capacity. Solar home systems generally include a small solar panel and a rechargeable battery that powers lights, radios, and phone chargers, while on a greater scale, mini-grids and smaller, more localised microgrids are used to supply power to entire communities. Solar home systems and solar mini-grids have become increasingly successful in Africa, with installations being ramped up 12 times and 45 times respectively over the last decade. By 2022, over 77 million people and nearly three million people on the continent gained access to electricity through solar home systems and solar mini-grids respectively.

Where is the money coming from?

Because of the high upfront costs associated with installing solar panels, many decentralized connections in rural Africa have been financed through innovative pay-as-you-go (PAYG) programmes. PAYG models enable people with limited income to access solar power by breaking down the cost into smaller, manageable payments.

To make sure that we maintain efforts toward universal electrification across the continent, it will be critical to continue securing public funding. The AEC encourages collaborative efforts from governments, the private sector, and development banks to lower costs for developers and ensure the success of these large-scale decentralisation projects.

Our report highlights African Development Bank's Desert-to-Power initiative, which is combining its own funds with those from international sources such as the Green Climate Fund and several European governments to install 10 GW of solar power across 11 countries by 2030. If all goes as planned, some 250 million people will finally have access to reliable electricity.

At the same time, we urge leaders and policymakers to ensure the financial sustainability of national subsidies that will help make these decentralized technologies more affordable for even more households, in both urban and rural settings.

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Nigeria and the pursuit of economic freedom

SUNNY CHUBA NWACHUKWU

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VERY DISTURBING OBSERVATIONS MADE on the state of the nation's economy have consistently been analyzed with utmost carefulness by economic watchers through studies conducted especially on the stunted economic growth of the country. The concerns often expressed are because the outcomes are in spite of the obvious super rich natural resources and great potentials that abound at the nation's disposal. With no visible landmark performances and clear cut march on economic progress recorded within the system as expected, the concerns grow. The worrisome situation has always prompted forward thinking people to ponder over this unsettled economic mirage that has bedeviled economic success of the nation. At the same time, it has occupied the hearts and minds of many citizens that have hoped, and are still hoping to sincerely see a new nation where economic development shall take shape for an uninterruptible steady economic growth and development.

There are too many reasons being put across board as core factors responsible for what is holding the nation's economy down from running with the speed of light. These are along with a few conspiracy theories that have also been proffered and linked to what is happening to the economy; why the economic prosperity of Nigeria is not happening. From all intents and purposes, what the nation needs most is good leadership, where patriotism occupies the center stage, to manifest emotional, moral values and enthused disciplinary conduct over the affairs and overall well-being of the state. Those that pilot the affairs of the land should come out neat and pursue dedicated and committed stewardship in the discharge of state duties. This singular point is not rocket science but a self-resolved will to serve and defend the interests of the state patriotically. The federal agencies that are responsible for reorientation of the general public's mindset should not relent but put in more fire and efforts in their advocacy assignments and reorientation for Nigerians to develop rightly. The attitudes and behavioural patterns of citizens called to assume national positions of responsibility are strong virtues required as game-changers for efficient performance in their duty posts in defending the interests of the state.

Neocolonialism used to mean an oppressive economic, political, spiritual and cultural tool used for continuation of dependence on foreign powers. It is globally practiced today through economic policies by transnational corporations and multilateral institutions, to perpetuate a colonial-master form of exploitation against developing countries. Nigeria, for instance, as a developing nation has not been fortunate enough to extricate herself from the snares of many forms of neocolonialism (economic and cultural imperialism, conditional aids from multilateral institutions, and globalisation). This development succeeded within the system as a result of the age long, ongoing endemic, official corrupt practices amongst those in places of authority. These modern systems of neocolonialism deeply manifest as the subtle propagation of political and socioeconomic activities (hegemony and measures, respectively) by the former colonial masters to reinforce the likes of capitalism, cultural subjugation or neoliberal globalisation of the affected former colonies. These tools are indeed exploitative, deliberate for continued survival of the system of colonial masters that turn the vulnerable developing nations into victims of economic, social, political, military, technical and mental forms of domination that are carried out to perpetuate poverty and latent dependence on the global oppressors.

Economic freedom is feasible, whenever the right things are done by citizens who can influence other persons with a committed mindset, to resist economic sabotage (or wrong policies). The global powers often cash in to exploit the mentality of those who could play along with them on counterproductive policies that are adverse and hostile to potential and promising growth indicators, in all the available sectors that are prone to attacks with inhibitors that shall eventually manifest fractured economic future, as being experienced presently.

In Nigeria, this vulnerability has become obvious in the oil and gas sector of the economy. And this has held the Nigerian economy down for as long as the nation's existence since gaining her independence in 1960. All sorts of things were applied to destabilise a very promising, growing economy. Economic freedom, therefore, must be pursued with vigour by patriots that may need to go an extra length to resist, reject, refuse, and renounce every appearance of killer financial legislation (be it monetary or fiscal). No matter the attractiveness to individual pockets, think selfless, think sustainability, think patriotic, think state first.

African nations in general, should start being smart enough in this twenty first century, to neutralize every economic exploitative move (creating adverse economic policy) by the global powers to distract development plans for economic emancipation, breakthroughs and good success, with indigenously programmed growth strategies. Nigeria particularly must be sure of skipping further financial enslavement through unnecessary dangling of external loans that are not genuinely tagged to or channeled toward national capital development. This, the country needs to do for the purpose of actualising real and meaningful economic freedom.

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LAST WEEKEND, I EMBARKED on an experience that left me reflecting deeply about human connection, resilience, and the surprising lessons life's challenges unveil. As I prepare for my next cross-field research project, I visited South Africa's largest rabbit farm owned by Daisy Moleko, our potential partner for the endeavour. This visit, coupled with an eventful journey to attend a wedding later in the day, brought to light four key reflections and actionable advice worth sharing.

Reflection 1
The power of immersion

The rabbit farm visit began with an elaborate process to ensure biosecurity. Every visitor, including myself, had to sanitise thoroughly before stepping into the facility. Even my shoes were disinfected to safeguard the delicate ecosystem within the rabbitry. Touring the farm's divisions, I marvelled at the meticulous records maintained, including data on 300 rabbit kittens recently born. It was a testament to precision and dedication.

This immersion reminded me of Leisa, who I encountered during my meditation to learn sign language to connect deeply with the deaf community. Leisa's journey exemplifies how embracing immersion fosters understanding and empathy. Her willingness to learn and live in the world of the deaf led to a profound transformation: she was no longer an outsider but an insider with a "deaf heart." Her story resonates with my experience at the farm, where stepping into another's environment brought clarity and connection.

Actionable advice: When engaging with new fields or communities, immerse yourself fully. Whether it's learning a new language, adopting new practices, or stepping into unfamiliar spaces, this effort builds bridges and fosters authentic relationships.

Reflection 2
Adaptability in unpredictable circumstances

Later that afternoon, I attended the wedding of a volunteer nurse from the African Institute of Mind Mental Health, 75 kilometers away from the farm. The journey was marked by a sudden downpour that began shortly after the matrimonial ceremony. The celebratory tent, designed for fewer people, was overwhelmed by the unexpectedly large turnout of healthcare workers and professionals from the community.

Under the strained shelter, I witnessed a remarkable spirit of adaptability. People laughed, shared umbrellas, and huddled together in camaraderie. This moment underscored the importance of flexibility in the face of unforeseen challenges. It reminded me that adaptability isn't just about surviving difficult moments but thriving within them by finding joy and community.

Actionable advice: Practice adaptability by expecting the unexpected. Embrace challenges as opportunities to grow and connect. Look for solutions, not obstacles, and remain open to new possibilities.

Reflection 3
Finding strength in vulnerability

As I write this, I am recovering from a voice loss, an inflamed throat, and a mucus-clogged chest — the outcome of my rain-soaked weekend. This physical vulnerability led to introspection during my morning meditation. It brought to mind the resilience of individuals who live without a voice or hearing, like the deaf community Leisa joined. Her journey reminded me that challenges often reveal hidden strengths and new opportunities.

Leisa's choice to learn sign language wasn't motivated by necessity but by curiosity and a desire to connect. Her determination to adapt to a different mode of communication gave her insights into the barriers faced by the deaf, from being overlooked at work to the lack of interpreters at public events. Similarly, my temporary struggle with a voice loss has inspired me to enroll in a sign language course. This decision isn't just about acquiring a skill; it's about embracing a challenge that has the potential to unfold something beautiful.

Actionable advice: View challenges as opportunities to grow and learn. Vulnerability can be a powerful teacher, guiding you to develop empathy and resilience. Take steps to turn hardships into meaningful action.

Reflection 4
The value of community

Despite the discomfort and unpredictability of the day, the sense of community at the wedding stood out as a powerful reminder of our shared humanity. Watching healthcare workers and professionals celebrate together, I saw how collective strength can transcend individual struggles. The rain became less of a nuisance and more of a unifying force.

This sense of togetherness mirrors Leisa's experience in the deaf community. Her willingness to engage without condescension, to be "like them," helped her build authentic relationships. It was her openness to understanding their world that earned her the heartfelt compliment of having a "deaf heart."

Actionable advice: Nurture community wherever you go. Genuine connection comes from mutual respect and shared experiences. Look for ways to contribute and be present in the lives of those around you.

Conclusion

My weekend journey, from the rabbit farm to the rain-soaked wedding, left me with much to ponder. Immersion, adaptability, vulnerability, and community stood out as guiding principles for personal growth and meaningful engagement. As I recover and prepare for my next research project, I am reminded of the value of stepping into new environments, embracing challenges, and building authentic connections. These reflections have not only enriched my understanding of the world but have also inspired actionable steps to create a more inclusive and empathetic future.

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Business, Governance & Enterprise

How Nigeria's 2025 budget will impact the economy

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ON DECEMBER 18, 2024, the president of Nigeria, Bola Ahmed Tinubu, presented the 2025 budget tagged "Restoration Budget – Securing peace, Rebuilding prosperity". It is a record N47.9 trillion budget, an increase of N22.2 trillion from the 2024 "Budget of Renewed Hope". The budget of restoration has many things to offer Nigerians. The budget priorities are: defence and security (N4.91 trillion, infrastructure (N4.06 trillion), education (N3.50 trillion), and health (N2.48 trillion). The budget would be financed by: equity (70%), loans (28%) and asset sales (2%). The budget will consolidate on key reforms such as the new minimum wage, duty-free food imports, and tax updates. It has a target inflation rate of 15 percent and GDP growth rate of 4.60 percent. N4,435,761,358,925 is for statutory transfers, while N16,327,142,689,549 is for debt service. It is a budget that is designed to help Nigeria's economic emancipation and industrial growth.

N14,123,544,196,406 is for recurrent (non-debt) expenditure while the sum of N14,853,717,110,517 is for contribution to the Development Fund for Capital Expenditure for the year ending on the 31st day of December, 2025. Capital expenditure or capital expense is the amount of money an organisation or state spends to procure, maintain, or improve its fixed assets such as buildings, roads, vehicles, equipment, lands etc. The budget deficit, that is, income less expenditure is N13,387,963,181,097. This will be financed through loan and sale of assets. The amount of capital expenditure is usually the determinant of budgets success apart from budget monitoring and control, and early implementation of budget. N14.85 trillion capital expenditure means there will be more funds in the economy than the previous year which had N4.93 trillion.

Capital expenditure (excluding statutory transfer component) of N4.93 trillion represented about a quarter of the 2023 expenditure budget which decreased by 8.88 percent from the 2022 budget. There was non-debt recurrent expenditure of N8.76 trillion in the 2024 budget. This means that an additional N6.09 trillion or about 69.5 percent of the 2024 budget has been added to the 2025 budget as capital expenditure. This amount will be used to finance construction and maintenance of roads, buildings, bridges and hospitals etc. Construction activities have the potentials of generating employment for people, generating income and providing infrastructure on which life depends. The 1999 constitution of the Federal Republic of Nigeria in Chapter II, Section 15(3) states that "For the purpose of promoting national integration, it shall be the duty of the State to: (a) provide adequate facilities for and encourage free mobility of people, goods and services throughout the Federation."

As noted above, the major objective of construction is the provision of physical infrastructure. According to the Kathmandu Final Workshop Report (2009), infrastructure provision can help solve four (4) problems. These are: social, health and environment, development (environmental and social), and economics. A region's infrastructure network, broadly speaking, is the very socio-economic climate created by the institutions that serve as conduits of trade and investment. It also involves large flows of expenditure, thereby creating additional employment and wealth creation. Studies have shown that infrastructure can have a significant impact on output, income, employment, international trade, and quality of life. Infrastructure provision can help develop modern infrastructure as well as beefing up infrastructure deficit especially in Nigeria where the deficit is still very high.

With proper implementation of the budget of restoration, tolerating minimum corruption, Nigerians will benefit from the budget especially in the area of job and wealth creation. Mr Babatunde Raji Fashola, the then Minister of Works and Housing said in 2022 that the Lagos-Ibadan Expressway (127 km) costing N310 billion, Abuja-Kaduna-Zaria-Kano Expressway (375 km) costing N797 billion and Second Niger Bridge (11.59 km) costing N206 billion collectively created 5,246 direct jobs and 13,998 indirect jobs. The Lagos – Calabar Coastal Highway is a 700 kilometre project that will run from Victoria Island to Calabar, Cross River State passing through nine states of Lagos, Ogun, Ondo, Benin, Delta, Bayelsa, Rivers, Akwa Ibom and Cross River. It is a mega project with a railway in the middle costing N4.00 billion per kilometre and N2.8 trillion in total. This project alone is poised to generate a minimum of 50,000 direct and indirect jobs including food vending and security jobs across the nine states. With other projects, about half a billion direct and indirect jobs will be created!

The 2025 Appropriation Bill estimates expenditure of N49.7 trillion which is significantly above the 2024 approved budget size of N28.8 trillion will definitely secure peace and rebuild prosperity. A whopping sum of N4.06 trillion for infrastructure development will greatly impact job provision and market dynamism as purchasing power parity (PPP) of the citizens will improve due to higher income that will flow in the economy. As promised, if the president can bring down the inflation rate in Nigeria from the current 35 percent to 15 percent, the masses will surely feel the impacts of the budget in the economy. The exchange rate is also expected to drop from the current N1,700 per US dollar to N1,500. We are already seeing signs that the crude oil production will increase to 2.06 million barrels per day before the first quarter of 2025. The significant increase of the budget from the 2024 budget of 74.18 percent will definitely make a positive difference in the economy.

The 2025 budget seeks to: restore macroeconomic stability, enhance the business environment, foster inclusive growth, employment, and poverty reduction, promote equitable income distribution and human capital development. N34.82 trillion in revenue is being targeted to fund the budget. This means that about 70 percent of the budget will be funded by internally generated revenue (IGR). The budget allocation for health is short of the 15 percent target set by the Abuja Declaration. It is proposed that two percent of the budget proposal will come from sale of national assets. This will amount to N994 billion. In a country with a high level of abandoned properties which experts estimate to worth over N9.0 trillion, generating about N994 billion (about 10 percent of wasting assets) is unpalatable. The Federal Government can improve by selling about 20 percent of the wasting assets in 2025 to generate about N2 trillion.

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Allen Onyema: Call to support a Man of Peace

SIMBO OLORUNFEMI

ADE ADEFEKO

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REPORTS OUT THERE DO not suggest this as the best of times for the lawyer and entrepreneur, Allen Onyema, and Air Peace, his airline, which started operations about a decade ago "as an engine to provide economic opportunities to Nigerian youth." It appears that there is buffeting from different sides targeted at rocking his boat and his enterprise, which has since grown to become the largest airline in West Africa, providing passenger and charter services across different destinations around the world.

It must count for something that this airline which came into business at a time when the Nigerian aviation industry was virtually on its knees has grown in leaps and bounds, and has effectively functioned as a standard bearer in critical situations even if it has not been officially designated as Nigeria's flag carrier. That is strange in itself, as the definition of 'flag carrier' has transitioned from the original idea of it being airlines owned by the government of the home country to "any international airline with a strong connection to its home country or that represents its home country internationally, regardless of whether it is government-owned".

While designation as a flag carrier comes with some level of priority or preference for the airline, especially with the assignment of rights in local and international markets, being a flag carrier is not only about privileges, it comes with a sense of responsibility for the country, one which Air Peace has long come to a recognition of, and graciously accepted, even when it has not been accorded such designation. At different times, the airline has come to the rescue of Nigerians caught up in crises and war situations in other parts of the world. Air Peace was there to evacuate Nigerian citizens from South Africa following an outbreak of xenophobic violence against foreign nationals there in September 2019. It was there during the challenging period of COVID-19, evacuating stranded Nigerians from different parts of the world during the lockdown. Air Peace was there to bring in Nigerians who were stranded in Sudan as civil war broke out in that country. It was there to evacuate Nigerians stranded in Europe following the invasion of Ukraine by Russia.

In other words, Air Peace has, following the overtly pro-Nigeria stance of its founder and chairman, Allen Onyema, served as a burden-bearer and face-saver in critical times, which is what would be expected of a national carrier. Indeed, the vision that propelled Onyema to set up the airline was as much about national prestige and development as it was about meeting a yawning gap in the aviation industry. Allen Onyema had set out, from his days as a law student at the University of Ibadan, to the task of promoting peace and national cohesion, which he considers to be fundamentals in driving progress and prosperity. Under the auspices of the "Eminent Friends' Group", which he co-founded to promote ethnic harmony among Nigeria's ethnic nationalities and fight the incidence of violence of all forms in our nation, starting with the riots in Zaria, Onyema started out being a promoter of peace in the country. This would lead him, a few years into his law practice, to set up the Foundation of Ethnic Harmony in Nigeria (FEHN) as a platform for conflict resolution and the promotion of peace across the length and breadth of the country. This platform would, years later, play a major role in resolving different conflicts and engendering peace, with the work done in the Niger Delta to train and transition militants away from violence being the most outstanding. That work, which started as a private initiative, would eventually inspire the presidential amnesty programme in which Onyema and his organisation played a key role. The programme led to the disarmament and demobilisation of thousands of militants, deploying a mix of skills development, retraining, and reintegration of thousands of youths into civil society.

It is Allen Onyema's long-term recognition of the linkage between business and national development in Nigeria, and the fact that entrepreneurship should not be approached simply as a vehicle for profit-making but one through which the fortunes of Nigerians can be improved and national prestige enhanced. While Onyema has pending criminal allegations in the US for charges that he has denied, it needs to be stated that he remains innocent until proven guilty and that a contentious issue in a foreign jurisdiction should not be weaponised. There are issues in the larger economy that have adversely affected the aviation industry, with concomitant effects on operations, which undoubtedly reflects in the quality of service by the airline. These issues must be taken within the context of industry-wide and macroeconomic challenges. Air Peace is a visionary initiative that must continue to receive the necessary support from the government, its supervising agencies, and Nigerians, to enable it to fly Nigeria's flag higher. Designating the airline as Nigeria's flag carrier should serve Nigeria well.

Economics Commentary

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ECOWAS: The endangered dream of a common currency

AT A TIME WHEN THE Economic Community of West African States (ECOWAS) is supposed to be rolling out the drums in celebration of its golden jubilee, the sub-regional body is seriously facing the danger of outright extinction. Founded almost 50 years ago, on May 28, 1975, via the signing of the 'Treaty of Lagos', the body aimed to promote economic integration, cooperation, and development among the member states.

For several decades, one of its major projects has been the adoption of a common currency —Eco— which has the potential to transform the economic landscape of West Africa by promoting economic growth, integration and development. But like ECOWAS itself, the common currency has been mired in controversies. Implementation of the Eco has been facing several challenges, including lack of fiscal discipline, coordination of monetary policies, and the development of a robust financial infrastructure, etc.

Apart from wide disparity in the level of economic development among the fifteen member states, one of the most centrifugal forces that have been stalling the development of the ECOWAS has been the overt (some covert) allegiance of its members to their former colonial overlords. The Anglophobic and Francophobic tendencies within the economic bloc have since inception been at loggerheads.

It is an open secret that the 'Assimilation' policies of France implied infusing their socio-political and cultural life into their colonies — even after their political independence. This is why virtually all Francophone ECOWAS member states have had their national currencies tied directly to French currency (CFA franc) — and their 'external reserves' denominated in it. Paris has always used this umbilical cord to determine the direction and pace of economic progress in its former colonies.

And so, economically tied to the apron strings of France, the Francophone ECOWAS members usually wittingly or unwittingly pander to the dictates of Paris. This is why on not a few occasions, critical policy decisions of ECOWAS on their journey to economic integration were either sabotaged or thwarted.

Of particular relevance here was the emergence of France in 2019 to facilitate the creation/adoption of the Eco currency — for only its former colonies who are members of ECOWAS. In pursuit of this objective, France agreed to renounce its right to appoint a representative to the governing board of the Central Bank of West African States (BCEAO) — which cleared the way for the creation of the Eco currency.

Meanwhile, ECOWAS itself started working on the Eco currency in December 2000, when the West African Monetary Institute (WAMI) was formally launched. And the Eco was to be launched in 2003. But almost 20 years after the Eco initiative commenced, France in 2019, in cahoots with its 'puppets' opted to create and own the Eco — for only the Francophone countries.

It goes without saying that this Paris-led move to 'steal' the Eco currency idea generated a lot of political and diplomatic tension and furore within and without the ECOWAS fold. It marked the climax of the checkered creation process of the Eco, whose launch had been aborted for the umpteenth time.

In fact, in June 2021, the Heads of State of ECOWAS adopted a roadmap for the launch of the common currency in 2027; this was sequel to the deliberations of the 59th ordinary session of the Assembly of Heads of State and Government of ECOWAS.

But rather than sticking to the blueprint for the realisation of the Eco, a multiplicity of factors have conspired to 'kill' the idea. For instance, in the past 25 years it has been practically impossible for most members of the ECOWAS to achieve the "convergence criteria." Some of these criteria include price stability, fiscal discipline, and exchange rate stability in the component member economies.

It is noteworthy that rather than achieving these criteria, member countries, including Nigeria, have been grappling with wobbling economic conditions. In Nigeria, for instance, price stability which implied maintaining low inflation rate, has remained a key challenge to the economy. Rather than dropping, the inflation rate has sustained a spiraling trend: rising from about 22.4 percent in June 2023 to 34.6 percent in November 2024.

In terms of fiscal discipline, rather than limiting fiscal deficits and public debt to ensure sustainable economic growth and stability, Nigeria has been on a borrowing spree, with burgeoning deficits. Exchange rate instability has also remained the lot of the economy for a couple of years. The situation is not remarkably different in other ECOWAS member states — as most of them are burdened by heavy public debt overhang and macroeconomic instability.

While these dreary realities are the lot of the 'Eco dream,' the ECOWAS sub-regional body itself faces a more potent existential threat. Now, more than ever before, are some of its members opting to go their separate ways. Driven by the wind of global political, economic and diplomatic alignment and realignment, some Francophone members are now determined to free themselves from the apron strings of Paris.

Specifically, three of the eight Francophone member states have not only abandoned democratic rules and enthroned military leadership in the past few years, but also opted to do away with the vestiges of French hegemony. Three founding members — Mali, Burkina Faso, and Niger Republic — having come under military rules following coups at various times in 2022/23, on January 28, 2024, issued a joint statement, announcing their exit from the sub-regional body.

Although the military leaders in these countries tried to justify their taking over power, they specifically accused ECOWAS leaders of being too aligned with Western powers, especially France, at the detriment of their own countries. Also, in their joint statement, they said their decision to exit ECOWAS was also in protest against the bloc's hardline position over the coups in their countries, the imposition of hard sanctions, as well as the threat of military invasion.

To demonstrate their determination to exit ECOWAS, the three countries have gone on to sign a tripartite defense treaty and a new confederation: the Alliance of Sahel States (AES) — as an alternative to ECOWAS. With this initiative, all is set for these Sahel states to make good their threat to quit ECOWAS — after almost fifty years of their membership.

As the one-year exit notice by the trio elapses at end-January 2025, the ECOWAS will certainly not be the same. This, in part, is because almost the rest of the Francophone countries have also joined in some ways in breaking links with France. Already, French military bases in Mali, Burkina Faso, Niger, Benin, Guinea are all reported to have either been closed or in the process of being shut down completely.

Alluding to the ugly recent past and the uncertain future of the sub-regional bloc in his Year End Message 2024, the President of the ECOWAS Commission, Dr. Omar Alieu Touray, said "As we draw the curtain on 2024, it is fitting to reflect on a year that has tested the resilience of our community. It has been a challenging period, marked by threats to our unity as well as to peace and stability in our region."

Unfortunately, these threats to unity and peace in the West African sub-region have the potential to snowball into an explosion that could dismember the entire ECOWAS. This is because some of the exiting members are already overtly or covertly entering into socio-political, economic and diplomatic alliances with hitherto 'strange bedfellows.'

Happening at a time of what seems like the 'repartitioning' of Africa, after the 'Scramble for Africa' ended in 1900, the 'decamping' members of ECOWAS now see themselves as 'beautiful brides' to several global economic powers. These poor, landlocked and mainly war-ravaged West African countries seem to want to demonstrate their 'full liberation' from the suffocating stranglehold of their former colonial overlords.

Already, their 'confederation' (the AES) is to function as a parallel body to ECOWAS. So, whither the ECOWAS and its long-awaited common currency — the Eco?

ROBERT DUSSEY

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We must ensure the continuity of Pan-Africanism after Lome

LOMÉ, THE CAPITAL city of Togo, will be hosting the 9th Pan-African Congress in the coming months. This highly significant event for the African world and Afro-descendants, which is part of the implementation of the 2021-2031 Agenda of the African Union's "Decade of African Roots and the African Diaspora", is the fourth of its kind on the continent after the Dar-es-Salam (1974), Kampala (1994) and Johannesburg (2014) Congresses. This continental appropriation of the Pan-African Congress as an institution that periodically brings together the African community, after the first five editions were held outside African lands, is justified by the emancipatory and universalist aims of the Pan-African movement, which from the end of the 19th century and especially in the 20th century fought alongside African anti-colonial national liberation movements to liberate a whole part of humanity from colonial imperialism. What's more, it reflects the continent's interest in pan-Africanism, both for its mobilising force in the face of emancipation challenges, and for its unifying power within a framework of fraternal solidarity. In the words of Georges Padmore, "the idea of pan-Africanism emerged first and foremost as a manifestation of fraternal solidarity between Africans and peoples of African descent".

Pan-Africanism emphasises solidarity between African nations to help transcend the divisions inherited from colonization, and between Africans and Afro-descendants to reconnect Africa and its diaspora. It enables the African community to be seen as a unit, despite its diversity and dispersion around the world. In the 21st century, Pan-Africanism presents a range of challenges in a context where Africa intends to emancipate itself from all foreign guardianship, rid itself of all forms of external domination and act, in line with aspiration 7 of the AU's Agenda 2063 and the vision of the African Political Alliance, "as a strong, united and influential player and partner on the world stage".

The aim of this article is to highlight one of the major issues at stake at the 9th Pan-African Congress in Lomé, on the general theme of "Renewing Pan-Africanism and Africa's role in the reform of multilateral institutions: mobilising resources and reinventing ourselves for action". This issue, which is of paramount importance, is the reaffirmation of the value of Pan-Africanism to ensure the historical continuity of the movement.

Indeed, the history of Pan-Africanism is a rich and varied narrative whose issues have evolved over time and space. From its very beginnings in Afro-American intellectual circles, Pan-Africanism was intended and affirmed as a movement to emancipate African communities from domination and forms of historical injustice. It initially embodied opposition to slavery and discrimination against African communities in the name of the ideal of equal human dignity and the ideal of justice, the challenge at the time being to deconstruct and undermine the foundations of racial ideologies.

Pan-Africanism then became involved with the question of the administration of African peoples under colonial domination, and subsequently with the decolonial liberation struggles between the fifties and sixties. With great African figures such as Kwame Nkrumah, Modibo Keïta, Gamal Abdel Nasser, Julius Nyerere, Haile Selassie and Thomas Sankara, Pan-Africanism was synonymous with an effort to re-appropriate oneself on an African scale and with an anti-imperialism that was supposed to liberate from neo-colonialism. The current revival of interest in the movement is sufficient proof of the historically consubstantial relationship between liberation struggles and pan-Africanism in African and Afro-descendant circles.

The Pan-African Congress in Lomé will reaffirm the paradigmatic value of Pan-Africanism. The whole interest of pan-Africanism for Africa in the 21st century lies in the renewed awareness that it is only by being united that Africa can truly take part in global governance, as the first ministerial conference of the African Political Alliance already pointed it out in May 2023. Pan-Africanism is renewing itself in line with the new vitality of our times, and offers the opportunity to bring Africa's great causes to the international stage in a close order. Pan-Africanism can still play today the role it played yesterday in backing national liberation movements. The movement's transformation into a people's movement is an essential element on which we must capitalise in order to address Africa's current concerns in terms of dignity, freedom, sovereignty, independence, respect and representativeness in the entente of continents and on the international scene.

The context of our world is that of the triumph of a predatory instrumental rationality and a globalisation that destabilizes Africa and African communities. To hold its own in this atmosphere, Africa must assert itself as the centre of its own movement, putting itself in a position to refuse to be reduced to

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Today's dilemma for the active working class

OLUKAYODE OYELEYE

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THE ERA OF UNPRECEDENTED real rat race is here and there is an urgent need to brace for it. A GLOCAL phenomenon is unfolding before our very eyes. In Nigeria, the retirement age is gradually moving up to 65 years. Teachers in public schools may now work for 40 years instead of 35. That is no cause for cheers. They would be lucky if the future reality of the next decade allows them a space for relevance.

The world greeted the fourth industrial revolution with optimism, hope and fear: with optimism because it was novel; with hope because it appeared promising; and with fear because many jobs were about to disappear. Twenty five years into the new millennium, and at a quarter of a new century, all three have been fulfilled. More new millionaires and billionaires in dollars have emerged. It is not a new thing for people to resist new inventions. Almost all products arising from industrial revolution have been resisted at one time or another in the early years of their introduction. Even the car seat belt was initially resisted and railed against in the US. Many tasks have been made a lot easier to perform and productivity has been enhanced.

Some industry leaders and innovators lost their primacy as they were overtaken by rivals who saw the industry future more clearly. Kodak lost a lifetime opportunity by ignoring the prospects of digital photography. Swatch was almost swept away from the wrist watch business when the Japanese cheaper digital wrist watch hit the market in the 1980s. IBM had to modify its business model to remain in the computer market when the power switched from hardware compatibility to software compatibility. Nokia lost its superiority to a rival in the mobile phone production. Tesla is fast disrupting the auto industry, displacing the older automakers as it rolls out uncommon types of electric vehicles with features that are lacking in traditional brands. In a matter of years, flying cars may characterise -- if not dominate -- many cities in China.

Millions have become pauperised by the change they were not prepared for and unemployment rate has risen astronomically on a global basis, even in developed countries as job displacement came with the higher technology-induced productivity, confirming the fears of many at the outset. Cases of job insecurity have risen in number and frequency. Misery has spread widely all across the world, particularly in the developing countries. Look at the world misery index, calculated from addition of unemployment rate to inflation rate, then figure out where Nigeria stands in the comity of nations.

Look at the mobile phone in your hand. The concept of technology convergence is epitomised in a typical cell phone handset. Albeit being elegant and trendy, it has taken businesses away from wrist watch manufacturers, the calculator makers, the camera with video and photo accessory companies, cinema houses, calculator makers and the transistor radio designers, to mention but a few. Television makers are not left out. It may have enriched you as an individual, though, if you have learnt how to tap into its transformative power. But many more old time businesses are now becoming obsolete and getting replaced by mere apps you slide on the screen of your phone or your computer.

Many time-honoured professions have been overtaken, and the professionals are becoming sidelined, by technologies that are supposed to aid their efficiency. When was the last time you heard of a confidential secretary in offices? And what is the future of secretarial studies, for instance? Majority of patients no longer have to consult the doctor for the diagnosis and treatment of many ailments as online resources have supplanted the human patient-doctor interface. Many legal documents no longer have to be drafted by professional lawyers, nor do even certain accounting documents necessarily require any chartered accountant today as they are easily available online. Estate managers will attest to the fact that many deals are now closed directly online between prospects and those giving offers, with just fringes of paperwork left for them to legalise such deals. Professionalism is therefore on the brink and would require radical personal interventions to sustain it in the mainstream.

The recent and on-going mass purge of labour in the banking sector is a foreboding of greater shock ahead as expertise is now moved into the realm of ICT. More and more people embark on banking activities on their phones or computers on the go or in the comfort of their rooms or offices. The filling station attendant that short-changed you sometimes ago might soon find that new pumping machines that simply require you alone to dispense fuel will soon put him out of job. Have you travelled to Changi Airport in Singapore lately? A time may come in Nigeria when those pompous, nasty, saucy and gratification-seeking airport attendants will be sent packing as you undergo do-it-yourself personal and luggage check-in procedures at the counter through all automated computerised programmes. Algorithms of financial derivatives will replace stockbrokers, pensions and insurance personnel, solving more complex riddles and making more accurate forecasts.

The mainstream media in Nigeria is already a victim as many newspaper, radio and television houses now tether at the brink, while online media mushrooms are springing up, many operated by untested and incompetent operators. In developed Western countries, the story is not different. The recently concluded presidential election has exposed the underbelly of many a cable news network as podcasts and on-air personalities rode on the back of technology to bring their influences to bear during the election. Perplexity and awe now run deep as users of new technology products are inundated with innovations not imaginable some three decades ago.

Traditional skills are becoming irrelevant. The idea that technologies help to enhance human skills appears now irrelevant as artisans' skills are getting eroded by disruptive technologies which create few overnight billionaires but, at the same time, millions of pauperised and jobless people whose skills have been rendered obsolete.

If governments in the developed countries are trying hard to adapt to the changing technological landscape and having difficulties in adjusting their laws, policies, practices and regulatory oversight, it is much worse for the third world nations who are helpless, confused and caught in the middle.

Artificial intelligence (AI) is all the rage just now. In OECD countries, according to a recent study, no less than one third of available jobs have already been lost to robots. We are not done yet. China will experience an unprecedented rise in unemployment and human misery as more and more AI is deployed. Because of China's low level of transparency in the communication of official policy implementation, outsiders may not be allowed to know how it has affected many families' incomes as the state-controlled media outlets will concentrate only on the material gains to the country, not to individuals. The world at large will experience a sea change in unemployment rates as the number of jobless people rise astronomically.

Yet, not all workers in the post-industrial world will be experts. The gap between the rich and poor has widened in the past two decades and is set to widen even more. The number of poor people has risen tremendously globally despite the idealistic and ambitious Sustainable Development Goals (SDG) and is poised to rise even more as there is no effective global mechanism for equitable distribution of wealth, made more complicated by ideologies and faulty economic schools of thought. Communism has failed at the national levels, and so cannot deliver on a global scale. Yet capitalism – of late – has created a more unequal world of greater inequalities, unfair competition, few intractable monopolies, millions of struggling but weak enterprises and secular stagnation which are inspiring discontent, violence and upheavals all over the world.

These crises are here to stay. They are not going away, and there can be no relapse of the pre-millennium fantasies and relative calm as inflationary trends are worsening globally, with inadequate safety nets for the poor, the artisans and small scale enterprises run by them. The urban communities are witnessing more and more complications in terms of economic and social security challenges brought about by unabated rural-urban population drift and attendant changes in demographics. The rural area populations are diminishing while the cities are getting more crowded under inadequate and overburdened infrastructure, a complication found more in fast urbanising developing countries.

Think, how relevant are you likely to be in 10 years? Do you still cling to the illusion of lifetime employment and job security? How attractive is your current job likely to be in 2030? Who is likely to employ you based on your current level of competence in a decade's time? Is your current employer likely to still consider you useful within the next couple of years? Is your employing organisation likely to crumble under the weight of innovation-induced changes or go out of business because of lack of competitive edge? How do you hope to adjust if your employer creates a higher post but chooses to hire an outsider over you instead of promoting you to fill the post? Are you likely to become a victim of rightsizing in the looming corporate purge? What other skills have you apart from the one that currently fetches you the income you presently depend on? Will your customers today still have reasons to patronise you in the next few years for the products you make today or the services you render now?

Make no mistake. Your unique selling point today could be eroded by the unexpected and disruptive technologies springing up daily. Years of do-it-yourself are here already and are ahead in many areas of products and services. Many shops are closing, not because owners really want to, but because they have no need or economic justification for them as they have moved their businesses to virtual space online with unlimited ease and access to customers, while cutting overhead costs. So, welcome to a 'glocal' world of just-in-time production and delivery, particularly as supply chain resilience has come under severe strain locally and internationally, especially under the COVID-19 pandemic. The hotel and hospitality industry has experienced a period of lows as tourism took a pause and big conferences were done in the virtual space as webinars. That pandemic period has permanently changed the way technologies are designed and used. Henceforth, sporting and leisure services will keep undergoing changes in the way service providers offer services and how they are patronised. Expect gate fees for football and other sports to transform to strict pay-per-view bills online henceforth as sports clubs owners must have learnt a bitter lesson from COVID-19 in the past five years from losses in revenues. A rebound to pre-COVID-19 era may not completely be reenacted. Scientists, explorers and innovators will not apply brakes in their quest for new things, on how to make life easier and reduce the relevance of 'humans' in the affairs of mankind. Costly mistakes will be made, but the world will move on. Emergence of new ideas will not be deterred by the cost of such mistakes. What with Boeing's experiment that sought to reduce the in-flight dependence on human pilots that has caused two deadly crashes of Indonesian and Ethiopian airlines' aircraft in the past six years? And the world has moved on.

Coping in the contemporary times will require devoting a lot of time, energy and resources to self-development to adapt to the constantly changing socio-economic and political systems. Yesterday's skills may not be suitable for today, let alone for tomorrow. Unfortunately, many changes don't give enough premonitions. So, a lot of anticipation, extrapolation, speculation and preparation need to be done daily. Whoever wants to survive should be prepared to discard the obsolete, let go of the past, be less attached to the constantly changing, and be eager and ready to embrace the new. These are important for subsistence in the world of changes that regularly stun pundits, confuse the experts and upset the forecasters.

The post-COVID-19 world faces the challenges of equipping individuals with job-relevant skills as economies undergo some forms of unprecedented and sudden transformation, with short-term and long-term impacts, ranging from managing change to increased emphasis on automation. Countries of post-industrial Africa and many parts of Asia where the service industry is yet to develop significantly may encounter huge impediments to the use of digital technologies for driving economic activities, especially in underdeveloped informal sector that still forms a big chunk of their national economies, estimated at 34 percent weighted average for Africa. Although Global Skills Index 2020 reported that countries with higher skill proficiencies will see greater GDP returns in the long-term, this will only be in aggregate terms, which will hide the inequalities between individuals' earnings.

Above all - and this may sound strange to some - individuals and nations need to make their ways right with God because many of these changes point to an imminent end of the world, which may become a reality anytime soon as evidence is showing.

PROJECT SYNDICATE

Economic Development in a Protectionist World

RAGHURAM G. RAJAN

Raghuram G. Rajan, a former governor of the Reserve Bank of India and chief economist of the International Monetary Fund, is Professor of Finance at the University of Chicago Booth School of Business and the co-author (with Rohit Lamba) of Breaking the Mold: India's Untraveled Path to Prosperity (Princeton University Press, May 2024).

CHICAGO – As apprehension grows in China, Europe, and Japan about a possible trade war triggered by the incoming Trump administration, one should also spare a thought for developing countries. Their tried-and-tested method of expanding beyond agriculture to achieve middle-income status has been to embrace low-skilled export-oriented manufacturing. How will these countries fare now?

Their prospects may be better than expected, especially if they choose alternative development paths. In the past, poor countries developed through manufacturing exports because foreign demand allowed their producers to achieve scale, and because abysmal agricultural productivity meant that low-skilled workers could be attracted to factory jobs even with low wages. This combination of scale and low labor costs made these countries' output globally competitive, despite their workers' lower relative productivity.

As firms profited from exports, they invested in better equipment to make workers more productive. As wages rose, workers could afford better schooling and health care for themselves and their children. Firms also paid more taxes, allowing the government to invest in improved infrastructure and services. Firms could now make more sophisticated, higher-value-added products, and a virtuous cycle ensued. This explains how China moved from assembling components to producing world-leading electric vehicles (EVs) in just four decades.

Visit a cell-phone assembly plant in a developing country today, however, and it is easy to see why this path has become more difficult. Rows of workers no longer solder parts onto motherboards, because the micro-circuitry has become too fine for human hands. Instead, there are rows of machines with skilled workers tending to them, while unskilled workers primarily move parts between machines or keep the factory clean. These tasks, too, will soon be automated. Factories with rows of workers stitching dresses or shoes also are becoming rarer.

Automation in developing countries has a variety of implications. For starters, manufacturing now employs fewer people, especially unskilled workers, per unit of output. In the past, developing countries moved steadily to more sophisticated manufacturing, leaving less-skilled manufacturing to poorer countries that were just embarking on the export-led-manufacturing path. But now, a country like China has enough surplus workers to undertake all manner of manufacturing. Low-skilled Chinese workers are competing with Bangladeshi counterparts in textiles, while Chinese PhDs compete with German counterparts in EVs.

Moreover, given the declining importance of labor in manufacturing, industrialized countries have come to believe they can restore their own competitiveness in the sector. They already have the skilled workers who can tend the machines, so they are raising protectionist barriers to re-shore production. (Of course, the primary political motive is to create more well-paying jobs for left-behind high school-educated workers, but automation makes this unlikely.)

Taken together, these trends – automation, continued competition from established players like China, renewed protectionism – have already made it harder for poor countries in South Asia, Africa, and Latin America to pursue export-led manufacturing growth. Thus, while a trade war would be damaging to their commodity exports, it would not be as concerning as in the past. It may even have a silver lining if it compels developing countries to search harder for alternative paths.

That path could be paved with high-skilled services exports. In 2023, global trade in services expanded by 5% in real (inflation-adjusted) terms, while merchandise trade shrank by 1.2%. Improvements in technology during the COVID-19 pandemic enabled more remote work, and changes in business practices and etiquette have minimized the need for physical presence. As a result, multinationals can and do serve clients from anywhere. In India, multinational firms ranging from JPMorgan to Qualcomm are hiring talented graduates to staff global capability centers (GCCs), where engineers, architects, consultants, and lawyers create designs, contracts, content, and software that are embedded in manufactured goods and services sold globally.

Every developing country has a small but highly skilled elite who can profitably export skilled services, given the high wage differentials vis-à-vis developed countries. Workers who know English (or French or Spanish) may be particularly advantaged, and even if only a few have these capabilities, such jobs add much more domestic value than low-skilled manufacturing assembly, thus contributing enormously to a country's foreign-exchange earnings.

Moreover, each well-paid service worker can create local employment through his or her own consumption. As more moderately skilled service workers – ranging from taxi drivers to plumbers to waiters – find steady employment, they will cater not just to elite demand but also to each other. High-skilled services exports only need to be the leading edge of broader job growth and urbanization.

All job growth, however, requires improvements in the quality of a country's labor pool. Some "last-mile" training and upgrading can be done quickly; as long as engineering graduates have basic knowledge of their field, they can be trained in state-of-the-art design software that a potential multinational employer needs. But over the medium term, most countries will need to invest substantial amounts in nutrition, health, and education to augment their peoples' human capital.

Fortunately, these investments can also create employment. With the right development-appropriate policies, governments can substantially improve learning and health across the population. This may mean hiring more high-school-educated mothers in daycares to help teach children basic literacy and numeracy at an early age; or training more "barefoot" medical practitioners to recognize basic ailments, prescribe medicines, or make referrals to qualified physicians when necessary.

Developing countries need not abandon manufacturing, but they must explore other paths to growth. Instead of benefiting one sector or another through industrial policy, they should invest in the kinds of skills that are important for all jobs.

Services are especially worth exploring, because developed economies are unlikely to erect protectionist barriers against them. As the world's largest service exporters in 2023, the European Union, the United States, and the United Kingdom have much to lose from a trade war in this domain.

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VISIONARY VOICES

Fintech Must Embrace Universal Inclusion

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WASHINGTON, DC – The world has made remarkable progress in advancing financial inclusion in recent years. In the decade beginning in 2011, the share of adults with access to financial services rose a whopping 50%, to more than three-quarters. But we still have a long way to go in creating a truly inclusive financial system. Beyond expanding access to financial products and services, we must ensure that these products and services work for all people, including the 1.2 billion people worldwide with disabilities.

The first generation of financial technology disrupted traditional banking by facilitating access for the underbanked (think mobile money and micro-loans). The next wave of innovation must go further, embracing "universal inclusion" as a basic design principle. Universal inclusion captures the idea that everyone deserves access to financial tools that genuinely meet their needs and improve their well-being.

We already have examples of what this might look like. Consider tap-to-phone technology, which enables merchants to accept payments using their smartphones – no payment terminal needed. This functionality has obvious benefits for all buyers and sellers, from convenience to safety. But it also enables blind or visually impaired individuals, who might struggle to count cash, to participate more fully in the digital economy. People with conditions affecting their mobility – such as arthritis, multiple sclerosis, Parkinson's disease, and cerebral palsy – might also rely on tap-to-phone technology.

The same goes for voice-activated payments: they are convenient for all, but crucial for individuals with visual impairments, limited mobility, or literacy challenges. This is universally inclusive design at its best – so practical that everyone, disabled or not, uses it. In fact, the widespread adoption of such technologies makes them even easier for those with disabilities to use. Since 62% of disabilities are invisible, asking for accommodations can be very difficult. But nobody will bat an eye about an "accessible" tool if they are already using it.

Despite some successes, however, the prevailing approach to financial-product development does not put nearly enough emphasis on inclusivity. This represents not only a moral failure, but also a missed economic opportunity. People with disabilities, together with their friends and family, represent a staggering $13 trillion in disposable income. As lifespans increase, this group's numbers – and spending power – are set to rise.

Beyond the direct returns of tapping this large and underserved market, financial-services companies pursuing universal inclusion would become more attractive to other customers, especially younger generations. A 2018 study showed that 91% of Millennials (born between 1980 and 1994) would replace a product they normally buy with an alternative from a "purpose-driven" company. Gen Z (born between the mid-1990s and the early-2010s) is also strongly inclined toward brands that emphasize social values.

To make the most of universal inclusion, financial institutions should embrace a new innovation framework built on three pillars. The first is a universally inclusive design approach, in which accessibility considerations shape solutions from the start. This would represent a significant shift from today's compliance-based approach, in which adjustments are often made after the fact to meet minimum accessibility standards. Its success would depend significantly on ensuring that people with disabilities participate in every phase of the design process.

The second pillar of a new fintech framework is data. Measuring our progress on overall financial inclusion is important, but so is collecting detailed data that differentiate among groups or segments. Such data should go beyond access to cover the quality of services and changes in financial well-being that result from the industry's products.

Lastly, clear accountability and reporting standards are essential. Regulatory frameworks must include incentives for financial-services institutions to disclose their progress on universal-inclusion metrics, making these results as fundamental to their reporting as traditional financial indicators.

The benefits of universal inclusion extend beyond profit. The economy becomes more resilient and dynamic when all people can participate in it fully. And efforts to meet the needs of one underserved group can lead to innovations that benefit all – a phenomenon known as the "curb-cut effect," a reference to the sidewalk ramps that were designed for wheelchair users, but improved the lives of many others, from parents with strollers to delivery workers.

Rather than viewing accessibility as a barrier to overcome, we must recognize its potential as a catalyst for innovation and growth. Universal inclusion in financial services isn't just about doing good; it's about doing good business.

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We must ensure the...

Continued from page 10

a merely instrumental entity. Pan-Africanism provides the indispensable ideological and operational framework for this, since a united Africa, speaking with one voice, and acting accordingly in a spirit of unity, can only outsmart the traps of subordination from wherever they come on the international scene.

By reaffirming the value of Pan-Africanism and bringing African communities together in Lomé, the 9th Pan-African Congress of Lomé is helping to ensure the historical continuity of the movement. The roots of Pan-Africanism go back to the 19th century. The movement was formed and consolidated, and made its way through the twentieth century, with moments of softening and moments of extreme vitality. Holding the 9th Congress is an opportunity to bring the Pan-Africanist movement into the present, and to put it on the doorstep of the future. It is in the interest of the African world not to let Pan-Africanism die, and the Lomé Congress will enable us to respond to this imperative. The 9th Congress will enable African states, peoples and Afrodescendants to ensure the historical continuity of the movement of Pan- Africanism.

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Stories by Onome Amuge

Investors reap N1.1trn gains on NGX in first full week of 2025 trading

THE NIGERIAN EQUITIES MARKET kicked off the new year on a bullish note, resulting in a remarkable profit of N1.137 trillion for investors during the first full trading week of 2025 on the Nigerian Exchange (NGX).

The strong start to the year follows a previous week of positive returns, where investors garnered N1.253 trillion in gains.

Notably, the market capitalisation was on an upward trajectory, surging to N64.303 trillion, representing an increase from the N63.166 trillion recorded during the previous week.

This growth was reflected in the All-Share Index (ASI), which also recorded a 1.80 percent increase from the 103,586.33 points recorded the week before, closing the week at 105,451.06 points.

Investors traded a total of 4.698 billion shares worth N85.043 billion across 72,562 deals on the NGX.

This represents an increase in trading activity compared to the previous week, where investors exchanged a total of 2.618 billion shares valued at N69.742 billion in 47,953 deals.

The Financial Services Industry emerged as the top driver of activity for the week with a trading volume of 3.470 billion shares valued at N40.791 billion across 34,364 deals. These figures contributed 73.86 percent to the total equity turnover volume and 47.97 percent to the total equity turnover value.

The Services Industry was in second place, with investors exchanging 407.032 million shares valued at N2.226 billion in 4,996 deals, contributing 8.66 percent to the total equity turnover volume and 3.27 percent to the total equity turnover value. The ICT Industry rounded out the top three sectors in terms of trading activity on the NGX, with investors transacting a total of 237.680 million shares valued at N3.628 billion across 5,280 deals.

This amounted to 5.05 percent and 4.26 percent of the total equity turnover volume and value respectively.

During the week's trading sessions, a total of 51 equities experienced an increase in share prices, a decline from the 82 equities that appreciated during the preceding week.

Conversely, 39 equities saw their share prices decline, an increase from the 18 equities that depreciated the week before. 62 equities remained unchanged in price, marking an uptick from the 52 equities that saw no change the previous week.

Investors poured their attention into the top three equities by volume, namely Wema Bank Plc, FBN Holdings Plc, and Universal Insurance Plc, with these companies combined accounting for 35.74 percent of the total equity turnover volume and 24.50 percent of the total equity turnover value. The total trading volume of these top three equities reached 1.679 billion shares, valued at N20.838 billion in 4,922 deals.

Three stocks emerged as the biggest winners in terms of share price increases for the week, with Multiverse Mining And Exploration Plc recording the highest gain at 53.42 percent, closely followed by Honeywell Flour Mill Plc which surged its share price by 31.67%.

The positive momentum for these stocks continued with Daar Communications Plc also recording a price increase of 25.71 percent.

While the Nigerian equities market was brimming with optimism for some stocks, others experienced a decline in share prices. Sunu Assurances Nigeria Plc bore the brunt of these losses, recording the highest decline at 36.52 percent followed closely by Caverton Offshore Support Grp Plc which shed 15 percent of its share price.

Consolidated Hallmark Holdings Plc also suffered a dip, with its share prices decreasing by 15 percent during the week's trading sessions. The NGX witnessed positive market sentiment during three out of the five trading sessions of the week.

The first trading session on Monday, January 6, 2025, set the tone for the bullish week, with investors scooping up profits to the tune of N37.75 billion by the close of the day's trading.

On Tuesday, January 7, 2025, the NGX closed the trading day with investors recording a loss of N152.09 billion.

However, market momentum reversed course on Wednesday, January 8, 2025, as investors ended the day's trading session with a profit of N507.28 billion.

The bullish momentum continued on Thursday, January 9, 2025, as investors racked up N792.73 billion by the end of the trading session.

However, market conditions took a turn on Friday, January 10, 2025, with investors registering a loss of N48.59 billion at the close of trading for the week.

L-R: Ajibade Laolu-Adewale, CeBIH chairman/chief partnership officer, Wema Bank Plc; Celestina Appeal, newly inducted CeBIH advisory council member/former CeBIH chairman /head, card services Zenith Bank, Plc; Yemi Atanda, CeBIH advisory council member/ chief marketing officer; Folasade Femi-Lawal, newly inducted CeBIH advisory council member/former vice chairman, CeBIH/ country manager, Mastercard West Africa, and Abidemi Asunmo , vice chairman, CeBIH/Group head, E-Business, Premium Trust Bank Limited, at the CeBIH advisory council induction ceremony, held at the Eko Hotel and Suites, during the CeBIH 2024 Annual conference recently.

GTCO mulls foreign capital in second recapitalisation phase

GUARANTY TRUST HOLDING COMPANY PLC (GTCO) has recently announced a strategy to attract foreign institutional investments as part of its second phase of the recapitalisation programme in 2025.

The move follows the successful completion of the first tranche of the equity capital raise programme, which generated N209.41 billion from 130,617 valid applications for 4,705,800,290 ordinary shares.

GTCO's decision to divide the investments equally between institutional and retail investors in the first phase of its equity capital raise program is in line with its commitment to cultivating a diversified investor base.

The allotment of shares in the first phase ensured full allotment and a fair distribution of the securities between the two investor categories.

Commenting on the development, Segun Agbaje, the group chief executive officer of GTCO Plc,expressed gratitude to shareholders and regulators for their support. "The strong participation in this initial phase and the successful capital verification and allotment reaffirm the confidence investors have in our fundamentals. This milestone sets a solid foundation for accelerating our strategic roadmap aimed at transformational growth and unlocking greater value across the Group's banking and non-banking businesses," he stated. According to Agbaje, proceeds from the successful equity raise will be used to recapitalise the Group's core subsidiary, Guaranty Trust Bank Limited (GTBank Nigeria), ensuring compliance with regulatory requirements and strengthening the bank's position in the financial sector.

He stated further that the funds generated from the equity raise will also fuel the growth of GTCO's banking and non-banking subsidiaries.

Rising dollar, U.S. capital flight, weak oil prices to heighten Nigeria's FX Volatility

A STRONG U.S. DOLLAR, THE POSSIBILITY of capital outflows from the United States, and reduced global oil prices have been identified by market analysts as factors likely to add to Nigeria's exchange rate volatility, placing increasing pressure on the naira and exacerbating inflationary pressures in the country.

Lead Capital PlC made the projection in a recent report titled "Nigeria in 2024 and Outlook for 2025.", where it identified two major external factors that could contribute to exchange rate volatility and potentially reduce U.S. support for Nigeria's development and security objectives.

The report noted that possible immigration restrictions could constrain remittance flows, which is a crucial source of foreign exchange for the Nigerian economy.

In addition, geopolitical shifts are projected to impact the United States' foreign policy priorities and lessen support for Nigeria's development initiatives and security requirements, further impacting the country's stability.

"Nigeria's policymakers may need to consider alternative strategies, such as fostering regional trade, increasing non-oil exports, and pursuing structural reforms to counterbalance the potential challenges posed by Trump's policies," the report suggested.

A strong U.S. dollar in 2024 and 2025 may be a consequence of potential policies and actions undertaken by Trump's administration, according to Lead Capital PlC's report.

The report stated that Trump's policies, particularly the imposition of tariffs that incentivise the consumption of domestically produced goods and services, could increase the demand for the U.S. dollar, strengthening its position in the global currency market. This, in turn, could lead to pressure on other currencies, including the Nigerian naira, potentially increasing volatility and negatively affecting Nigeria's economy.

According to the report, "A stronger dollar generally makes it more expensive for emerging economies like Nigeria to acquire foreign exchange, potentially straining the Central Bank of Nigeria's (CBN) efforts to stabilize the naira.

"Nigeria's naira has depreciated by over 70% this year, and an appreciation of the dollar could further weaken the naira, impacting import costs, inflation, and purchasing power.

"A stronger dollar also increases Nigeria's debt-servicing costs, as many of Nigeria's obligations are dollar-denominated."

Given its projections, Lead Capital highlighted a short-term remedies that can address misalignment in the forex market. These include: Improved productivity, transparent FX markets to address currency misalignment, consistent macroeconomic policies to bring about stability, as well as foreign exchange intervention from time to time to defend the Nigerian currency.

Lead Capital also emphasised a long term remedy for a stable Naira. These include:

- Improving Naira fundamentals.

-Continue the build up the level of external reserves, currently at $42 billion, by boosting export revenue -Need to improve on non-oil exports through business -friendly policies.

- Boosting the Sovereign Wealth Fund (SWF) currently below $3 billion.

- Boost export revenue which is currently at $64 billion per year

-Improve on the Balance of payment position which stood at $5.1 billion (11.5% of GDP) in Q2'24

-Need to boost diaspora remittances currently estimated at around $20 billion.

- Need to reduce foreign borrowings to enable the country to improve on its savings.

STOCKS MARKET

	NSE	NSE 30	FTSE 100	DOW JONES	S & P 500	FTSE/JSE	NASDAQ
	105,451.06	3,908.21	8,223.98	42,732.13	5,942.47	76,120.24	17,732.60
CURRENT	1.80	2.19	-36.11	+339.86	+73.92	+321.69	0.71%
YEAR TO DATE	2.45	2.53	0.44%	0.80%	1.26%	+0.42%	11.16%

TOP TRADERS

Company	Volume	Value
WEMABANK	976239571	9765239899
TANTALIZER	52963539	129643302.2
UNIVINSURE	34795975	26762431.15
ACCESSCORP	33901909	843760493.6
NB	27286442	873279738.3

TOP GAINERS

No	Equity	Opening	Closing	%Change
1	CILEASING	N 4.10	N 4.51	10.00%
2	HONYFLOUR	N 9.11	N 10.02	9.99%
3	TRANSEXPR	N 1.82	N 2.00	9.89%
4	RTBRISCOE	N 2.34	N 2.57	9.83%
5	NSLTECH	N 0.74	N 0.81	9.46%

TOP LOSSERS

No	Equity	Opening	Closing	%Change
1	SUNUASSUR	N 8.11	N 7.30	-9.99%
2	EUNISELL	N 19.27	N 17.35	-9.96%
3	SKYAVN	N 33.45	N 30.15	-9.87%
4	DAARCOMM	N 0.97	N 0.88	-9.28%
5	SOVRENINS	N 1.42	N 1.32	-7.04%

COMMODITIES

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

Stories by Bamidele Famoofo

EBRD marks record year with €16.6bn invested in 2024

THE EUROPEAN BANK FOR Reconstruction and Development (EBRD) delivered a record €16.6 billion in investments across its economies in 2024, a 26 per cent increase over the previous year.

Total mobilisation – the overall amount of investment the Bank unlocked from all sources in 2024 – amounted to €26.7 billion.

The EBRD financed a record 584 projects overall, with 76 per cent of investments going to the private sector, corresponding to a record volume of €12.5 billion.

In 12 months marked by geopolitical tensions around the globe, the Bank also reported record shares of green and gender-tagged projects. Green economy financing amounted to 58 per cent of the Bank's total investment volume in 2024, at a record of more than €9.7 billion, while the share of gender-tagged projects was 47 per cent.

Annual disbursements hit a record level of €10.6 billion. The Bank's portfolio reached €61.9 billion, surpassing the milestone of €60 billion, while operating assets reached €42.1 billion, exceeding €40 billion for the first time.

In 2023, the Bank delivered €13.1 billion in investments across its economies, with 464 projects financed, also reporting a record volume and the number of investments, green financing, disbursements, support for the private sector, and the

L-R. Victor Antai, executive director of projects, NDDC; Akon Eyakenyi, deputy governor of Akwa Ibom State; Emmanuel Efe Emefienim, MD/CEO, PremiumTrust Bank; Effiong Essien head of service, Akwa Ibom State; Nsikan Linus Nkan, commissioner, Ministry of Finance, Akwa Ibom State, at the tape-cutting ceremony of PremiumTrust Bank, Uyo Branch, Akwa Ibom, recently.

number of projects with a gender component.

With its 2024 numbers, the Bank has surpassed pre-pandemic investment by 60 per cent. EBRD investments topped €10 billion for the first time in its history in 2019.

EBRD President Odile Renaud-Basso said: "We achieved record-breaking impact in 2024, both in volume and, more importantly, in quality. We not only beat records but went far beyond them.

"Demand for our unique business model of financing combined with policy advice grows with every year that passes. Our capacity to respond to the evolving needs of our clients must keep pace with these changes.

"Last year highlighted strong momentum in our green and gender financing, in parallel with steadfast support for Ukraine and its real economy. And we will continue to deliver for our clients, both individually and by working together with our partners as part of a wider system."

The Bank's record performance across its regions in 2024 included strong backing for Ukraine, deploying over €2 billion of financing in the third year of Russia's full-scale war against the country.

Highlights of the EBRD's engagement in Ukraine included the launch of an innovative war insurance facility to help revitalise the insurance market, €300 million in financing to Ukrainian Railways for the acquisition of electric locomotives, support for Ukrnafta to boost the resilience of the country's power sector and the provision of new guarantees to Ukraine's banking sector to unlock €690 million of new financing for critical industries.

The EBRD also provided US$ 217.5 million in long-term debt to support a landmark project involving two leading Ukrainian telecom groups, in what was the largest single foreign direct investment in Ukraine by a major strategic investor since Russia's invasion.

Elsewhere in its regions, the Bank last year provided support to the private sector in the West Bank, including an equity investment in the Bank of Palestine against the backdrop of the conflict in the Middle East.

In the context of the climate emergency and the need to mobilise more support for development from the private sector, multilateral development banks (MDBs) responded to calls for greater collaboration between them.

Ten MDBs, including the EBRD, announced joint steps to work more effectively as a system and increase the impact and scale of their work to tackle urgent development challenges.

In addition, the Bank signed a memorandum of understanding with the World Bank Group in a bid to enhance their collaboration and respond to global challenges more effectively together. In 2024, the EBRD succeeded in mobilising nearly €1.63 billion in new donor funds, including unfunded guarantees, over €913 million of which were signed for Ukraine. The European Union provided 68 per cent of the donor resources.

Throughout 2024, the EBRD gained its first two shareholders from sub-Saharan Africa, Benin and Côte d'Ivoire, bringing its total number of members to 76. The Bank plans to launch operations in the region later this year.

The year also featured a presidential election, with the Board of Governors re-electing Odile Renaud-Basso to a second term as President at its Annual Meeting and Business Forum in Yerevan, Armenia.

The Bank's performance in individual economies and regions will be announced later this month and its overall financial results for last year will be published in spring.

FBN Holdings boasts of surpassing statutory recapitalization, assures investors of improved earnings

FBN HOLDINGS PLC (FBNH) has assured its shareholders and investors of its capacity to surpass the N500 billion minimum capital requirement mandated by the Central Bank of Nigeria for banks in its category.

The Holding Company disclosed in a statement signed by its company secretary, Adewale Arogundade on Thursday.

The statement which was made available by the Nigerian Exchange Limited, noted that the Group's performance continues to improve, resulting in a higher market capitalization.

Arogundade assures that FBNH is working towards surpassing the regulatory minimum capital well ahead of the deadline.

"In the meantime, the Registrar and Lead Issuing House are collating the returns from all receiving agents in respect of the Company's Rights Issue which closed on December 30, 2024," he said.

He also disclosed that FBN Holdings and its Subsidiaries remain committed to the highest level of corporate governance.

Commenting on the call by two of the Group's shareholders for an Extraordinary General Meeting (EGM) as published in the media, Arogundade said: "On the call for an Extraordinary General Meeting (EGM) by two of the Company's shareholders, this matter does not in any way impact the operations of the Company; and all the businesses within the Group continue to provide uninterrupted services to its customers.

"We assure our valued customers, shareholders, investors, other stakeholders and the general public that we are taking all necessary steps to protect the interests of the Company and its subsidiaries," he said.

FBN Holdings Plc launched its bid to raise N150 billion via a rights issue on the Nigerian Exchange Group's (NGX) digital platform, NGX Invest.

This rights issue, offered on a one-for-six basis to existing shareholders, was accessible through NGX Invest, providing a seamless digital channel for eligible investors to participate.

Zenith Bank climbs near 52-week high ahead of Q4 earnings

ZENITH BANK PLC'S market value rose as investors continued to pay attention to top tier-1 lenders in the local bourse.

The Ajose Adeogun-based financial services group topped investors' top picks ahead of the fourth quarter of 2024 earnings release.

According to data from the Nigerian Exchange, Zenith Bank's share price rose by about 4.5 per cent to settle at N46.50 on Thursday due to surging demand for blue-chip bank shares.

The buying momentum from the alpha seekers trading highs and lows in the local bourse nudged Zenith Bank's market capitalisation to N1.459 trillion. At the current valuation, Zenith is trading at a 1.8 per cent discount to its 52-week in the equities market on Thursday.

The management has already declared a close period that disallows connected stakeholders from trading the bank shares in the stock market. The close period for the bank started on January 1, 2025, and will be lifted after earnings release in the local bourse.

Up by about 99 per cent year on year, Zenith Bank posted a pretax profit of N1 trillion in nine months to financial year 2024, according to its regulatory filing posted on the Nigerian Exchange last year.

Following an impressive outing, analysts at Cardinal-Stone Securities Limited expected Zenith Bank to close financial year 2024 on a strong note, with a profit after tax of N1.1 trillion and an earnings per share of N35.25.

"This growth is expected to be primarily driven by a triple-digit increase in net interest income (NII), alongside strong non-interest revenue (NIR) bolstered by solid trading gains as the bank continues to maintain a resilient trading portfolio.

"Farther out, we expect the bank's performance to be shaped by the interplay of interest rate dynamics and the bank's readiness to grow risk assets in 2025. Strong trading gains could also act as a secondary support to earnings in the financial year," the investment firm said in a note.

Quoted Insurers

Security	P/close	Open	High	Low	close	%change	Volume	value
AIICO	1.93	1.93	1.99	1.84	1.9	-1.55%	21,813,465	41,601,182.80
CORNEST	3.93	3.93	3.91	3.86	3.91	-0.51%	1,206,957	4,637,769.35
INTENEGINS	2.04	2.04	–	–	2.04	0.00%	27,269	57,435.08
LASACO	3.6	3.6	-	-	3.6	0.00%	389,389	1,322,653.36
MANSARD	9.25	9.25	9.5	9.05	9.17	-0.86%	2,038,761	18,806,388.96
NEM	13	13	13	13	13	0.00%	500,920	6,472,192.55

Nigerian insurance sector eyes transformation in 2025

Stories by Joy Agwunobi

THE NIGERIAN INSURANCE SECTOR is starting 2025 with optimism and renewed hope, as industry players anticipate a year of significant transformation. Insurers, regulators, and stakeholders are setting a clear agenda for growth, focusing on technological advancements to enhance efficiency and customer service.

With evolving regulatory frameworks and increasing demand for sustainable and digital solutions, the sector aims to unlock new growth opportunities while reshaping traditional business models. Central to this optimism is the recent passage of the Nigerian Insurance Industry Reform Bill by the upper legislative house in 2024. The bill, if signed into law, is expected to revolutionise the sector by introducing enhanced capital requirements, risk-based supervision, strengthened consumer protection, and a streamlined regulatory framework.

According to the National Insurance Commission (NAICOM), the bill consolidates existing insurance laws into a comprehensive framework, setting the stage for a more robust and competitive industry capable of contributing significantly to Nigeria's GDP.

NAICOM highlighted that the bill seeks to address the sector's long-standing challenges, including low insurance penetration and the inability of indigenous firms to underwrite large-scale accounts often outsourced abroad. Key provisions in the bill include increased minimum share capital requirements. N10 billion for life underwriters, N15 billion for general business underwriters, N25 billion for composite firms, and N35 billion for reinsurers. These measures are designed to enhance the financial stability of insurers and improve public confidence in the industry.

L-R: Frank Aig-Imoukhuede, celebrant; Babajide Sanwo-Olu, governor, Lagos State; and Aigboje Aig-Imoukhuede, chairman, Access Holdings/son of the celebrant, during the order of Holy Communion and Thanksgiving Service to celebrate the 90th Birthday of Frank Aig-Imouhuede held at Our Saviour's Church, TBS in Lagos, recently.

The bill also emphasises risk-based supervision, a milestone that aligns with global best practices. According to Olusegun Omosehin, Commissioner for Insurance and CEO of NAICOM, the new legislation signifies a new era for the sector, positioning it to compete favorably in both African and global markets.

Omosehin highlighted the bill's role in consolidating fragmented legislative frameworks, strengthening consumer protection, and fostering innovation within the sector.

Another factor boosting confidence is the N4 trillion allocation for infrastructural development in the 2025 federal budget. Insurers expect a portion of these funds to flow into the industry through project-related insurance covers, providing an additional growth catalyst.

During its final board and management meeting for 2024, NAICOM reiterated its commitment to setting industry standards, regulating premiums, and ensuring compliance across the sector. The commission outlined its priorities for 2025, including enhancing financial stability, fostering innovation, and laying a foundation for sustainable growth.

Kunle Ahmed, chairman of the Nigeria Insurers Association (NIA), also outlined plans to leverage technology to tackle long standing issues of claims fraud and disputes over claims payments in Nigeria's insurance sector. According to Ahmed, the association aims to introduce digital systems for the collation and tracking of claims payments, ensuring greater transparency, customer satisfaction, and a reduction in insurance fraud.

Beyond Nigeria, a look into the global insurance landscape reveals shared challenges across the sector. According to Deloitte's outlook on the global insurance market, particularly in the United States, insurers are under pressure to adapt to increasingly complex and unpredictable risks. The proliferation of generative AI tools has empowered consumers and rendered traditional risk evaluation methods less effective.

Deloitte recommends modernising operations and infrastructure, innovating product offerings, and enhancing customer interactions as key strategies for staying competitive. The firm noted that by adopting advanced risk modeling approaches, insurers can build a more resilient safety net for their clientele.

Similarly, the Allianz Commercial Directors and Officers Insurance Insights Report sheds light on the turbulent business environment anticipated for 2025. Industries such as real estate, construction, hospitality, and tourism are particularly vulnerable to challenges posed by rising interest rates, inflation, and economic uncertainties.

The report notes that global business insolvencies rose by 11 per cent in 2024 and predicts a double-digit surge in 2025, significantly impacting economies that account for more than half of the global GDP.

This economic instability, the firm stated, is anticipated to drive a surge in Directors and Officers (D&O) claims, as creditors and investors seek accountability from business leaders.

Dan Holloway, Head of Global Management Liability at Allianz Commercial, notes that companies in these vulnerable sectors are under immense pressure to manage debt amid inflation and macroeconomic challenges.

Vanessa Maxwell, Chief Underwriting Officer at Allianz Commercial, stresses that D&O insurance is indispensable in today's volatile business environment, as businesses face increasing regulatory penalties, shareholder lawsuits, and sanctions-related risks. Maxwell adds that non-compliance with geopolitical risks or sanctions can lead to severe consequences, including litigation and financial losses.

The Allianz report also highlights the growing legal risks tied to artificial intelligence (AI), noting that as businesses increasingly adopt AI technologies, they encounter rising litigation related to regulation, shareholder scrutiny, and "AI washing" – a practice where companies exaggerate their technological capabilities. The United States has already seen securities class actions triggered by such practices, with similar cases rising by 10 per cent in Europe and 43 per cent in Australia.

NAICOM plans to adopt Malaysia's Takaful model

THE NATIONAL INSURANCE COMMISSION (NAICOM) has expressed interest in studying the Malaysian Takaful insurance model as part of its efforts to enhance Nigeria's Takaful insurance market.

The Commission highlighted the importance of knowledge sharing between Nigeria and Malaysia in key business and investment sectors.

This announcement came during a courtesy visit by Aiyub Omar, the Malaysian High Commissioner to Nigeria, to NAICOM's headquarters in Abuja. Olusegun Ayo Omosehin, the Commissioner for Insurance and CEO of NAICOM, commended Malaysia's success in the Takaful insurance sector over the past three decades.

Omosehin expressed a keen interest in learning from Malaysia's achievements in the development of Takaful insurance and called for further collaboration with the Malaysian government. The collaboration will focus on two key areas: capacity building and creating investment opportunities.

Omosehin suggested that studying countries with similar characteristics to Nigeria, such as Malaysia, would help identify best practices and successful strategies. "By exploring international models and benchmarking against industry leaders, NAICOM aims to create a more conducive environment for insurance growth in Nigeria," Omosehin said. He added that such efforts would ultimately benefit both policyholders and stakeholders.

Emphasising the potential of the Nigerian insurance market, Omosehin pointed to the country's low insurance penetration and significant growth opportunities. He noted that Nigeria's Takaful insurance sector, which began with just one company in 2013, now includes six companies under NAICOM's regulation.

"We have made progress, but there is still substantial room for growth and investment," Omosehin stated, underscoring the importance of strategic partnerships and knowledge sharing to accelerate Nigeria's economic development. He also referenced President Bola Tinubu's vision for a $1 trillion economy, which, he said, could be achieved through collaborations with foreign governments, including Malaysia.

Omosehin also discussed the recently passed insurance bill, which awaits approval from the House of Representatives. He explained that the bill is designed to enhance the regulatory framework, boost capital in the insurance industry, and create new investment opportunities. "The bill seeks to promote the growth and development of the insurance sector, contributing to Nigeria's broader economic growth," he added.

On his part, Aiyub Omar, the Malaysian High Commissioner to Nigeria, expressed enthusiasm about the potential for collaboration. He highlighted Malaysia's expertise in Takaful insurance, emphasising its success in contributing to the country's Islamic finance sector.

Omar pledged to help facilitate connections between Malaysian Takaful insurance companies and Nigerian stakeholders, fostering further investment and cooperation. He also proposed a capacity-building program aimed at enhancing the regulatory skills and knowledge of NAICOM staff.

"This partnership could leverage Malaysia's experience in Takaful insurance, which has significantly contributed to the growth of our Islamic finance sector," Omar said, adding that the training program will further strengthen NAICOM's regulatory capacity and add value to Nigeria's insurance industry.

CHANGE OF NAME

I, formerly known and addressed as **Mubarak Rasheed Akeushola**, now wish to be known and addressed as **Mubarak Adewale Rasheed.** All former documents remain valid. General public to take note.

CHANGE OF NAME

I, formerly known and addressed as **USMAN RASHEED AKEUSHOLA**, now wish to be known and addressed as **USMAN OLALEKAN RASHEED.** All former documents remain valid. General public to take note.

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CAREER

Finding Your Fit: How to Uncover a Company's True Culture

Claire Harbour

Claire is a passionate and experienced adviser on all matters related to people, talent and culture.

Antoine Tirard

Antoine Tirard is an international talent management advisor, leadership development facilitator and executive coach to large global organisations.

Graham Ward

Adjunct Professor of Organisational Behaviour

EIGHT TIPS TO EVALUATE if your next role is right for you.

We are relatively cautious about what we buy when the stakes are high. But do we apply the same level of scrutiny to the most important investments of our lives – choosing a partner or a career path? Divorce and turnover rates suggest not.

While we won't weigh in on the complexities of marriage, as career advisors and coaches, we know that cultural misalignment is the primary reason why people leave their jobs. This mismatch can stem from hiring errors or a gradual realisation of incompatibility. The financial implications are substantial: Replacing an employee often costs several times their annual salary.

In contrast, a strong company culture can significantly reduce employee turnover, according to recent research by Sukti Ghosh and Victoria Sevcenko from INSEAD and Arianna Marchetti from London Business School. They found that stronger cultures make employees feel connected to each other, improve teamwork and encourage the development of unique skills and knowledge that are specific to the organisation. This makes employees more valuable and less likely to leave for opportunities elsewhere.

While it is clearly critical to find the right cultural fit, uncovering a workplace's culture can be challenging. Beyond gathering data and "intelligence" about your potential next employer, you need to trust your instincts and look out for red flags during the recruitment process.

We've worked with numerous people who have, to their detriment, either misjudged a company's culture or neglected to assess it before joining. Our conversations with three professionals highlight key factors to consider before making the leap.

Eight tips to evaluate a company's culture

1. Understand the company's values – and your own

Be clear about your personal values and aspirations and ensure that the company's culture aligns with these. Look for signs of a supportive and inclusive environment where your contributions will be valued and your growth supported.

Nassim knew he needed to find a better cultural fit. After years of prioritising others' expectations and taking on "safe and sensible" jobs, he yearned for a role that aligned with his own values and ambitions. Everything began to click into place when a former colleague informed him about an interesting strategy role at a small venture.

Through a candid conversation with the CEO, Nassim gained valuable insights into the company's culture. The CEO took the time to listen to Nassim, encouraging him to share his ideas about the business. This open discussion led to an offer to become the strategy director – a role that was specially created to fit Nassim's talents and aspirations.

2. Dig deeper (don't just take their word for it)

Make a conscious effort to find out what the new culture is, beyond what the website says. Ask how things are typically done and understand that how you do things may end up being more important than what you do.

Nassim wasn't afraid to ask tough questions about the company's standards, safety protocols and processes. After discussing his lingering concerns with his former colleague, he better understood the challenges the company faced and how he could address them. Nassim felt empowered to make a significant impact in this new role.

3. Insist on meeting your new team

Getting to know your future teammates in relaxed settings can reveal a lot about a company's culture. Consider meeting them both individually and as a group. If possible, collaborate on a small project together.

When Nassim met his future team, he was reassured by the fact that there was no sense of mistrust – just a group of people who seemed keen to explore how the organisation could grow and improve. They listened to him, included him and made him feel valued. Since joining the company, Nassim has flourished in this innovative and supportive environment.

4. Find multiple reference points

Speak to people at different levels in the new organisation and, if you can, those who know you and your old environment. Grill them and investigate anything that seems strange.

Grazia was thriving in her HR leadership role at a large scale-up. The company culture was built on trust and respect, with plenty of room for innovation and mistakes. But an attractive offer to join an ambitious start-up was too hard to resist.

While Grazia did extensive interviews with the recruiter and the HR director, who promised her his role within a year or two, she did not contact former colleagues she knew were now working at the new company. From her first day on the job, she was stunned by the team's immaturity, disorganisation and blinkered worldview. This stark contrast to her previous experience leading a diverse, global team made it clear that the new company wasn't the right cultural fit.

5. Sniff out any subcultures

Understand that your new manager might lead a subculture of their own that differs from the overall company culture. Figure out what that is.

Grazia quickly realised that the hidden culture of the company, despite promises to the contrary, was that of an old boys' club. She soon discovered that much of the dysfunction stemmed from her boss. She wasn't alone in her concerns; three female board members confided in her that they were barely holding it together and not far off from resigning.

Grazia's attempts to initiate change were mostly dismissed by her manager, who had no intention of relinquishing power. He continued to gaslight her and play terrible mind games, making it clear that he would never welcome nor accept her power.

6. Ensure you have the support you need

Cultivate a support system and prioritise self-care when transitioning into a new role. Regular reflection and seeking external perspectives can help you stay grounded and effective in your new environment.

Grazia became so overwhelmed by the ongoing abuse and harassment that she began having dark thoughts. During one morning commute, she found herself wishing she could be in an accident to avoid going to work. Unfortunately, the harassment wasn't limited to her; it was systemic, permeating the entire company from top to bottom.

Even six months after resigning, Grazia's former boss was asking her to return, completely oblivious to the reasons for her departure. Grazia is understandably taking her time to find her next role and will ensure she is surrounded and guided by the right people.

7. Constantly tap into your network

Strong networks not only open doors but can also be points of reference when you need insight into a new organisation.

Sade was used to being the only person of colour in her professional circles, including her senior position at a global life sciences company. While she was thriving, she was also aware that she might be stuck in this role for longer than she would like.

At this point, her interest and talent in networking proved invaluable. Friends and connections facilitated several conversations, including one with another global life sciences company. This organisation stood out as the talent team took a long-term view, presenting her with a series of potential roles for exploration until the right one came up. Before signing on, Sade strategically leveraged her network to gain insights into various leaders at the new company.

8. Assume you will need to "learn" a new culture

Even if you think you'll fit in well at a new company, it will still take effort to adjust to the new culture. Your network can provide valuable support and guidance.

While Sade knew that the job was a perfect technical fit, an informal team-building activity allowed her to connect with her future team and gauge the company's culture. She came away from the event with a clearer picture of how the organisation valued continuous improvement and stakeholder relationships. Sade was confident she that could "learn" and adapt to this culture over time. After four years at the company, she still believes she made the right choice.

10 questions to unmask corporate culture

Company culture isn't always obvious. To uncover it, consider asking these questions during the interview process:

1. What do you like about working here?

2. How is this organisation different from the competition?

3. How would you describe the company's core values? How are they reflected in day-to-day operations? What are some examples of how the company's leadership team embodies the company's stated values?

4. What are the unwritten rules or informal norms that are important for someone new to the company to understand?

5. What are some examples of how the company's culture has evolved over the past few years, and what prompted those changes?

6. What do you wish you'd known before starting here?

7. What would you change about this company if you could?

8. How would you describe the leadership culture in this department? How are team members recognised for their success?

9. How does your organisation address failure?

10. How does the organisation handle conflict or disagreements among team members?

Starting a new job is like starting a new relationship; you first need to assess compatibility. Just as you wouldn't commit to a partner without knowing who they really are, don't sign on to a new role without doing your due diligence.

Taking the time to evaluate a company's culture isn't just a step in the hiring process – it's an investment in your long-term happiness, growth and career success. By asking the right questions, trusting your instincts and prioritising alignment, you can ensure that your next role truly fits who you are and where you want to go.

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Is India the Next Global Luxury Hub?

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INDIA LOOKS SET TO BE the luxury market's next growth driver. Here's how brands can make their mark.

India's luxury landscape is at a crucial juncture. With a booming economy, the world's largest population and a dynamic, youthful demographic, the country has been dubbed the next luxury hub, especially at a time when luxury consumption in China is declining as spending softens.

Is the centre of the world's luxury market shifting from China to India, as a fast-growing appetite in goods such as high-end watches suggests? And, if so, how should brands approach and win over luxury clients in this market known for its millennial craftsmanship and strong culture?

India by the numbers: growth and opportunities

Home to the world's fifth-largest economy, India is currently seeing explosive growth in its luxury sector. At a recent event by luxury consultancy IndLux in partnership with INSEAD, IndLux CEO François Grouiller said, "The next 100 years will be marked by the rise of India, and we believe that the Indian century can become an opportunity for all."

The country's luxury market, currently valued at US$17 billion, is set to more than triple by 2030, growing to upwards of US$85 billion. Years of impressive GDP growth have turned India into the world's fastest-growing major economy. This economic surge will boost the number of ultra-high-net-worth individuals – people with a net worth of at least US$30 million – by an anticipated 50 percent by 2028.

"When it comes to India, don't take a snapshot, focus on the trajectory," said Mahi Khanna, project lead at IndLux. Indeed, the expanding middle class and their growing disposable income are propelling what will be a US$2.2 trillion retail market by 2030, which will make India the third largest globally.

Unique to India are the country's cultural and historical ties with luxury, both older and stronger than in many other markets. As Khanna observed: "Luxury is as old as our civilisation – it is part of India's cultural and historical DNA." Luxury has deep roots in the subcontinent, from the Maharaja of Patiala, known as the largest owner of Cartier jewellery, to the intrinsic cultural value placed on artistry, craftsmanship and opulence.

But local and foreign brands face various challenges tied to the landscape: a complex regulatory environment, inadequate luxury retail infrastructure and consumer behaviour nuances that demand a tailored approach.

The need for clear personas in a young market

Representing 40 percent of urban consumers, 377 million Indian Gen Zs (people born from around 1995 to 2010) make up the largest generational cohort in the country. They contribute to 43 percent of overall consumer spending, setting a significant economic precedent. Notably, 76 percent of Gen Zers in India are open to trying new brands, creating a ripe environment for both established luxury houses and newcomers.

However, success requires clarity in targeting distinct personas within this diverse generation. Research of key stakeholders – including wealthy Gen Zers and top influencers, whom IndLux named "the Catalyst Generation" – highlighted five major Gen Z personas with different expectations:

The "Gram Kid": Influenced by social media and keen on elevating social status, in line with the global trends cycle.

The "New Maharaja": Prefers silent luxury without conspicuous logos, focusing on quality and cultural connections.

The "Devoted Nurturer": Prioritises family and meaningful experiences, emphasising luxury as an investment for shared joy and collective pride.

The "Local Loyalist": Balances an affinity for global accessories with a deep respect for local craftsmanship, signalling a dual identity.

The "Nuance Seeker": Values sustainability, craftsmanship and meaningful luxury. Well-travelled (and often returning to India after having worked, lived or studied abroad), appreciates understated elegance and often seeks unique, purpose-driven brands that align with their personal values.

Luxury brands looking to access this young market must tap into this subset of wealthy, metropolitan Gen Zers setting the pace for emerging luxury trends in India. To do so, they must develop a nuanced understanding of these personas, emphasising customised, local and culturally resonant experiences.

Luxury in an independent – yet not individualistic – market

The evidence presented spotlighted India's unique relationship to signalling, one of the pillars of luxury strategy: Indian Gen Z consumers, and specifically those of the Catalyst Generation, seek exclusivity, but with subtlety. The growing preference for "semi-subtle signalling" implies that luxury brands must walk a fine line between visibility and understatement. For many affluent young consumers of the Catalyst Generation, their desire is to be part of an exclusive circle while maintaining a sense of discernment that their peers recognise.

Insights from IndLux revealed that young Indian consumers have started cultivating their own #IYKYK ("If You Know, You Know") factor, where they navigate the balance between obvious recognition and understated elegance. The idea for brands is to create "the zone of coolness", a space that "whispers quality rather than screaming opulence".

An additional complexity is the deep integration of family dynamics. The concept of "independence without individualism" is crucial for understanding luxury consumption in India. Family approval and shared experiences are significant parts of the buying process. Young buyers might make decisions, but parental or family involvement remains integral. "Unlike in the West, in India, luxury is very much a family affair," Khanna emphasised.

The golden rules for future success

The evidence of IndLux's research suggests that importing one-size-fits-all strategies from other markets won't work. Instead, initial successful use cases point to four different tailored approaches, outlined in the table below:

Broadly speaking, success in the Indian market will lie in brands' ability to balance local authenticity and global appeal – and their willingness to "learn to love and speak to India", as Grouiller noted.

To be more specific, there are five golden rules for success:

The long game starts today: Brands must view India as a long-term opportunity, not just a short-term play.

Take India for what it is: Understand that India is a diverse market with distinct needs. Brands like Cartier and Bulgari have succeeded by tailoring their approach to different markets within India.

Refresh your archetypes: Build new archetypes to resonate with local cultural nuances and consumer behaviours.

Partner with locals: Leverage local influencers and voices to enhance authenticity. Ageing Bollywood stars are not always the most effective ambassadors.

Learn to love India: Invest time in understanding Indian consumers by visiting and engaging directly with local communities and nurturing your relationships.

As Sanya Dawar from Forest Essentials, a prominent Indian beauty brand making headway abroad, concluded at the event, "India is finally having its moment, where the rest of the world is starting to see its potential."

The country is undeniably a luxury growth engine, but navigating its complexities requires more than mere presence. Brands need an approach steeped in local insights, sensitivity to cultural and generational shifts, and a commitment to long-term engagement rather than short-term gains. Gen Z is not just the future but the catalyst that will reshape India's luxury market – a cohort with power, promise and the means to make or break global players in the Indian context.

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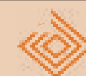
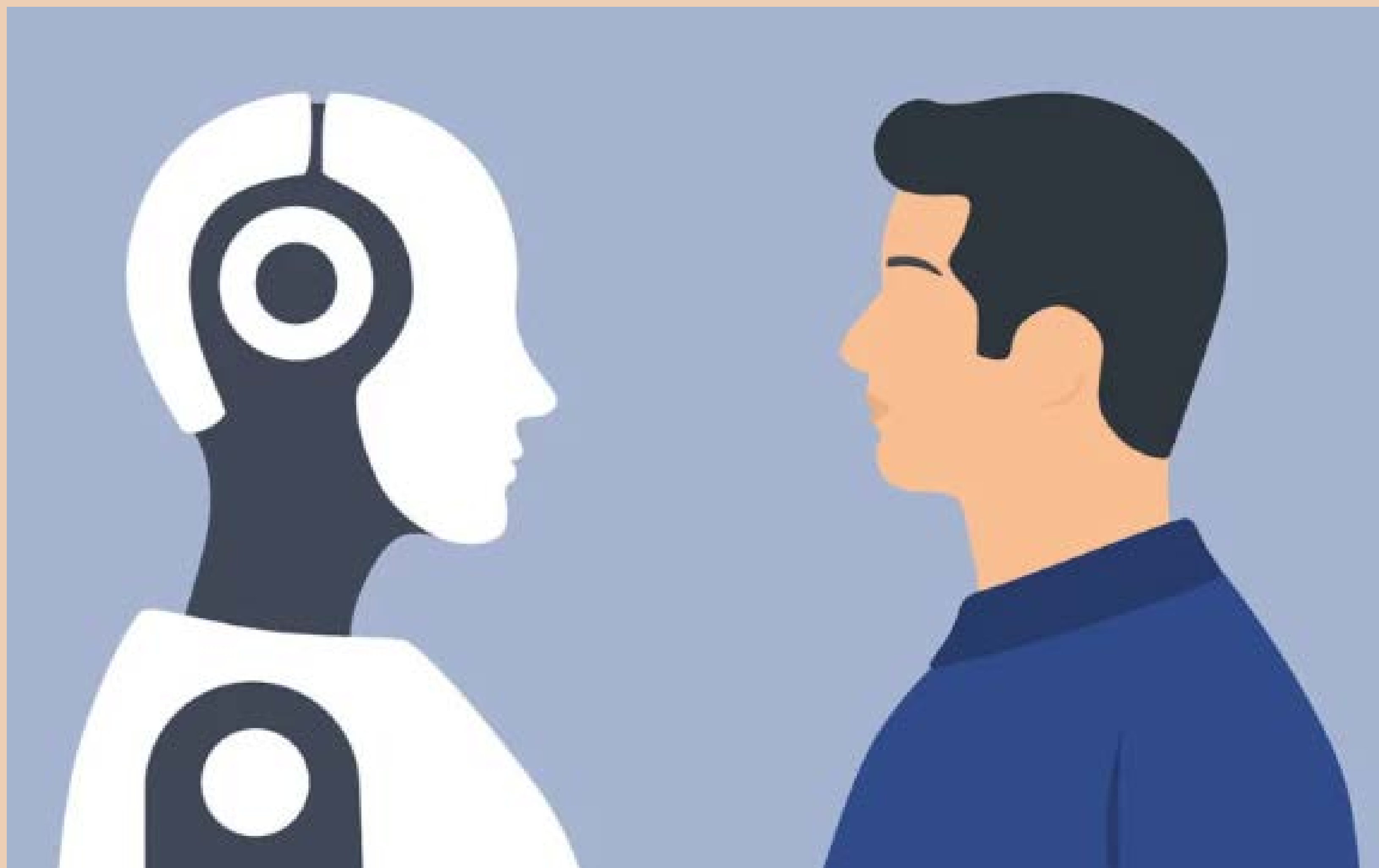




Is Algorithmic Management Too Controlling?

New research from Wharton's Lindsey Cameron looks at how gig workers are dealing with strict managers who aren't human.

LINDSEY CAMERON

Assistant Professor of Management, Dorinda and Mark Winkelman Distinguished Faculty Scholar

THE FOLLOWING ARTICLE was originally published by the Mack Institute for Innovation Management.

In more and more workplaces, important decisions aren't made by managers but by algorithms which have increasing levels of access to and control over workers. While algorithmic management can boost efficiency and flexibility (as well as enabling a new class of quasi-self-employed workers on platforms like Uber and Instacart), critics warn of heightened surveillance and reduced autonomy for workers.

In a newly published paper, Wharton professor Lindsey Cameron examines how ride-hail drivers interact with the algorithmic management tools that make app-based work possible. In this interview, she shares insights from her research, along with tips for creating a more equitable future of work.

How Algorithmic Management Works in the Gig Economy

What is "algorithmic management" and what does it look like in the workforce?

Lindsey Cameron: Algorithmic management is when an algorithm makes the decisions that a human manager typically does. That could be anything to do with hiring, firing, evaluating, or disciplining workers.

These algorithms are very robust. For example, in a typical shift, a ride-hail driver might only complete a dozen rides, but will have more than a hundred unique interactions with the algorithm. And while ride-hail driving — or other jobs in the app-based gig economy — is often seen as the exemplar of algorithmic management, so many jobs now have algorithms embedded within them.

Think about Amazon warehouse workers or the person at the checkout line at your grocery store. There's probably an algorithm counting how fast they're scanning items and evaluating their performance. Think about the emails and text messages you get asking you to rate a worker you interacted with. And let's not forget how we are asked to tip now after every service transaction — you can be sure that information is being recorded and used a performance indication. In short, algorithms are becoming embedded in work across professions, industries, skill levels, and income levels.

Your research explores how ride-hail workers interact with their algorithmic managers — specifically, how they exert autonomy and make decisions. Initially, it may seem that these types of workers have little autonomy and choice. But you discovered how drivers devise ways to exert more control.

Lindsey Cameron: I look at each of a worker's interactions with the algorithmic management system as an instance in which consent is produced. By consent, I mean, "How do you get people to enthusiastically comply with rules?" Through these small interactions, people feel like they have a sense of choice. It's a small choice, but it is very real.

There are many tactics that drivers use to exercise autonomy. Some rigorously follow all the rules and suggestions of the algorithmic management system in the hopes that it will pay off financially. Others deviate from rules and suggestions in an attempt to game the system into a more favorable outcome. This might include turning the app on and off, relocating into higher-demand areas, or declining multiple rides in a row in an attempt to inflate surge prices. All of these things may help individuals feel like they have a sense of choice and, ultimately, these choices help the ride-hailing company as workers stay on online, one of the firm's primary objectives.

Why Algorithmic Management Can Exacerbate the "Good Bad Job"

Typically, algorithmic management is associated with what academics call "bad jobs": work that is dangerous, precarious, and/or affords you little room for advancement or autonomy.

On the face of it, app-based work would seem to be a clear example of that. But your research shows that, when it comes to people's actual attitudes toward working these jobs, it's not so simple. This insight led you to coin the neologism "good bad job."

Lindsey Cameron: I define a "good bad job" as work that is attractive and meaningful in ways that mask structurally problematic elements, almost like a Trojan horse. Typically, in bad jobs, people have a negative subjective experience. But when you talk to most people who are doing ride-sharing or other app-based work, most of them enjoy it or at least think it's better than their alternatives. What my research looks at is the tension of having a positive subjective ("good") experience in a structurally problematic ("bad") job.

Amazon is a great example — warehouse work is hard, but the wages are high, especially in rural areas. But it's still algorithmically managed, and workers are often pushed to their physical and emotional limits. I mean – how do you reason with an algorithm? In the future, we'll likely see more jobs like this — with higher pay or greater flexibility, but in difficult working conditions, with algorithms controlling much of the experience.

Currently, we associate algorithmic management with low-wage, precarious jobs like ride-hail driving or warehouse work. Do you think it's in the future for white collar workers?

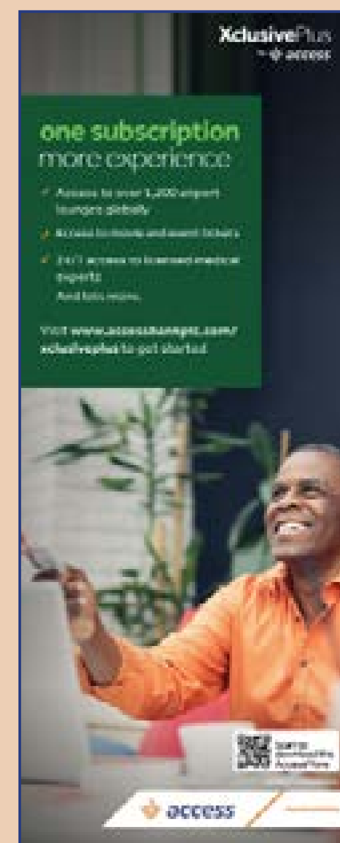
Lindsey Cameron: It's already here. We're seeing a broad sweep of new tools, technology, and digitization under the future of work. Surveillance of at-home workers exploded during the pandemic, with the introduction of tools that could track your keystrokes or whether you were active at your computer or Bloomberg terminal. If you do any kind of customer-facing job, an algorithm keeps track of your ratings and reviews. There are algorithms that scrape your email to make sure you're not committing corporate espionage or telling offensive jokes.

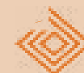
Algorithms are endemic to this new world of work, regardless of the type of job you're doing. I just chose to study a type of work — ride-hail driving and app-based work — in which they are very prevalent. There's a great quote attributed to the science fiction writer William Gibson: "The future is here, it's just not evenly distributed." If you look at the most disenfranchised, vulnerable, marginalized workers, that is where new tools and technology get tested first. Predictive algorithms, for example, are now used in all kinds of fields, but they were first tested on whether to parole prisoners, who are disproportionally African-American men. Safiya Noble, Ruha Benjamin, and others have done phenomenal work on this topic.

Q: What should executives and business leaders know about algorithmic management and how it affects their workers?

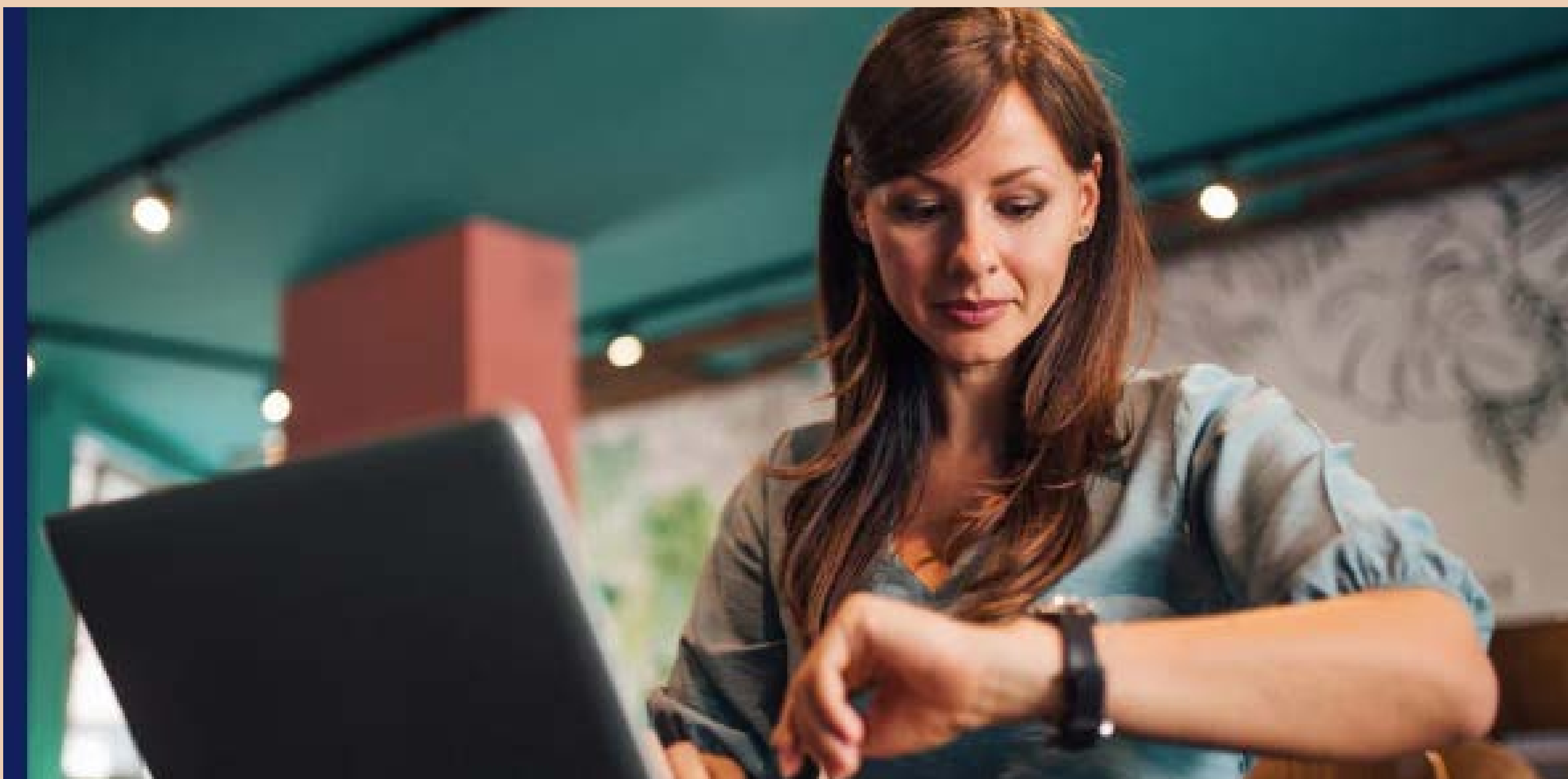
Lindsey Cameron: You've got to have a human in the loop. You can't have hard and fast evaluation limits. In some companies, an algorithm can fire you if you're not meeting your quota. Not only should that not happen, but there needs to be an appeals process when decisions are made.

Basically, don't let the algorithm be stupid. Think of the worst-case scenario — how the most marginalized person could be negatively affected — and design around that case, because that's the only way to make this type of management most inclusive.





LEADERSHIP. MANAGEMENT



Impact vs. Time: A Leader's Guide to Slow Productivity

In this Nano Tool for Leaders, author and professor Cal Newport offers practical guidance on how to slow down in order to enhance your productivity.

CAL NEWPORT

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

Goal

Cut the clutter to focus on core priorities using proven strategies.

Nano Tool

We all know them: bosses or co-workers who overload themselves, believing that good work requires faster responses to email and chats, more meetings, more tasks, and more hours. They cram professional effort into every corner of their lives and embrace busyness as a badge of pride, hoping it adds up to something meaningful. But research shows those efforts not only don't equate with enhanced job performance — they're also detrimental to our health and our relationships.*

What's needed is a transformation of our modern understanding of professional accomplishment. We need to reject the badge, seeing overload as an obstacle to producing great results rather than an effective approach. An alternative to the assumptions driving our current exhaustion is the philosophy of Slow Productivity, which can apply to anyone who has a reasonable degree of autonomy in their job. The following Action Steps can guide you in embracing the first principle of Slow Productivity: reducing your commitments to more fully embrace and advance a smaller number of important projects.

Action Steps

By paring down obligations, leaders can concentrate their energy and resources on key priorities and improve decision making, which leads to more impactful and higher-quality outcomes. Research shows you're more likely to succeed if you set intentional limits on three levels: missions, which are your big, ongoing goals; projects, which are the milestones on the way to those goals; and daily goals, which are what you put on your to-do list on any given day.

1. Limit missions

One or two main objectives that direct your professional life is ideal; five or more are hard to maintain. If you must have more than two, focus on the second and third action steps to keep control of your workload.

2. Limit projects

Maintain clarity and control over your schedule. If someone asks you to work on a project, determine how much time it would take and then schedule it on your calendar. If you can't find the time on your calendar, you don't have the time to do it. Decline, or cancel something else to make time for it. And limit the time you have available for scheduling — you don't want to end up with a packed calendar. Saying no is easier when you have hard evidence that it's the only reasonable answer.

3. Limit daily goals

Use these three techniques to gain control of your workdays:

Make other people work more by creating a Reverse Task List: on a shared document, list the major categories of tasks you tackle in your job. When someone asks you to take on some small obligation, direct them to add it to the task list themselves with all of the information you need to complete the task. By clearly communicating the specifics of your current workload, you demonstrate the need for exact task descriptions, and a clearly overstuffed list may deter people from adding to it.

Avoid "task engines": choose projects based on how many tasks they require to complete, not just how much overall time it takes.

Put repeat tasks on autopilot by creating rituals: for example, invoicing every Monday morning at the coffee shop, completing evaluations on Fridays from home, or discussing current projects with coworkers during scheduled office hours.

How Leaders Use It

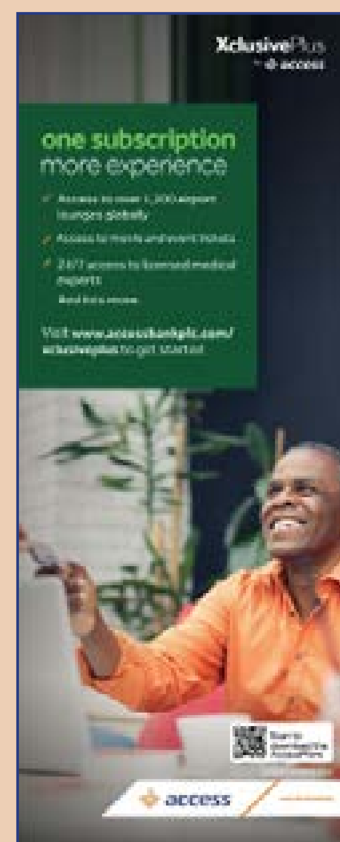
Warren Buffett's famous quip, "The difference between successful people and really successful people is that really successful people say no to almost everything," takes on new meaning in light of Slow Productivity. His 5/25 Rule pares down missions in three steps: write a list of your top 25 career goals, circle the five most important goals, and avoid the remaining 20 at all costs (or at least until the top five are achieved). "You've gotta keep control of your time and you can't unless you say no. You can't let people set your agenda in life," explained Buffett.

Benjamin Franklin embraced the tenets of Slow Productivity later in his career. Seeking to train a manager to open a third printing-press franchise, he hired a printing assistant who then fell ill. During his recovery, the assistant's impressive work led Franklin to scrap the franchise plans and keep him as foreman. The printing business became more profitable, giving the notoriously hard-working Franklin the ability to turn his attention to more significant projects, including his work on electricity. He wrote at the time, "I am settling my old accounts and hope soon to be quite a master of my own time."

Psychologist Megan Rogers, an associate professor at Texas State University, uses the autopilot technique by working on goals and projects on specific days (or portions of days). "It's been extremely helpful to me. I try to schedule student mentorship meetings back-to-back on a couple of days, teaching tasks on a different day, and reserve one full day for deep research work (generally focused on one or two papers) without any interruptions. I'm a big advocate of minimizing task-switching as much as possible."

Contributor to This Nano Tool

Cal Newport, PhD, professor of computer science at Georgetown University. His academic research focuses on distributed algorithms and challenging network scenarios. Newport has authored several influential books including his latest, Slow Productivity: The Lost Art of Accomplishment without Burnout (Portfolio/Penguin, 2024), on which this Nano Tool is based.



Quoted Insurers Security	P/close	Open	High	Low	close	%change	Volume	value
AIICO	1.93	1.93	1.99	1.84	1.9	-1.55%	21,813,465	41,601,182.80
CORNEST	3.93	3.93	3.91	3.86	3.91	-0.51%	1,206,957	4,637,769.35
INTENEGINS	2.04	2.04	–	–	2.04	0.00%	27,269	57,435.08
LASACO	3.6	3.6	-	-	3.6	0.00%	389,389	1,322,653.36
MANSARD	9.25	9.25	9.5	9.05	9.17	-0.86%	2,038,761	18,806,388.96
NEM	13	13	13	13	13	0.00%	500,920	6,472,192.55

PenOp reports decline in REITs investment due to market shortage

Stories by Joy Agwunobi

THE PENSION FUND Operators Association of Nigeria (PenOp) has reported a steady decline in investments in the real estate sector, primarily due to the limited availability of real estate investment trusts (REITs) on the market.

This insight was shared in a recent analysis of the investment patterns of Pension Fund Administrators (PFAs) in REITs and real estate over the past five years.

The Nigerian Exchange Limited (NGX) defines REITs as corporations or trusts that pool capital from multiple investors to purchase and manage income-generating properties and/or mortgage loans. These REITs are traded on the NGX like stocks, allowing investors to buy and sell them through stockbrokers in the same way as other shares.

PenOp's analysis revealed a dramatic drop in REIT investments, falling from N239.28 billion in 2020 to N20.06 billion at the close of 2024. The most significant decline occurred in 2022, when investment in REITs dropped sharply to N14.14 billion, down from N153.52 billion in 2021. Although there was a slight recovery in 2023 to N21.04 billion, the downward trend resumed in 2024.

L-R: Biodun Oyebanji, governor, Ekiti State; Opeyemi Bamidele, Senate leader; and Bisi Akande, former governor, Osun State, during their courtesy to Akande at his residence in Ibadan recently.

PenOp attributed this decrease to the scarcity of REITs available in the market. However, it noted that active funds have redirected investments into real estate through private equity funds. In contrast, closed pension funds continue to invest directly in real estate, with nearly N300 billion allocated to the sector in 2024.

As REIT investments waned, direct investment in real estate has increased. In 2024, pension funds invested N273.06 billion in real estate, up from N245.34 billion in 2023. This represents a significant rise from just N5.13 billion invested in real estate five years earlier. Combined, total pension fund investments in real estate (both via REITs and direct investments) reached N293.12 billion in 2024, marking a 10.04% increase from N266.38 billion in 2023.

PenOp emphasised the importance of real estate as a key asset class for pension funds, highlighting its role in providing a hedge against long-term inflation and offering developers a reliable source of long-term capital. In Nigeria, pension funds have traditionally invested in real estate, either directly or through REITs. While regulations prevent active pension funds from making direct real estate investments, they are permitted to invest in REITs.

According to guidelines issued by the National Pension Commission (PenCom) in September 2011, only closed pension fund administrators and those managing defined benefit schemes are allowed to engage in direct real estate investments. These guidelines define direct real estate investment as the purchase of developed properties or the financing of property development or construction to generate income for the pension fund.

The recently listed REITs on the NGX include SFS Real Estate Investment Trust, priced at N179.45 per unit; UH Real Estate Investment Trust at N36.60 per unit; and UPDC Real Estate Investment Trust, the largest of the three with a market capitalisation of N15.21 billion, priced at N5.70 per unit.

Africa Specialty Risks launches first Africa focused Lloyd's Consortium

AFRICA SPECIALTY RISKS (ASR), a reinsurance group focused on the African and Middle Eastern markets, has launched Baobab, the first Lloyd's Consortium dedicated to Africa.

According to the company, the initiative is aimed at enhancing the region's insurance capacity and marks a significant step for emerging markets.

Unveiled at the start of 2025, Baobab offers up to $21 million in insurance capacity across sectors such as political risk, trade credit, political violence and terrorism, property, energy, construction, and liability.

The consortium is led by ASR Syndicate 2454 and is supported by several leading Lloyd's Syndicates, demonstrating strong backing from global insurers.

ASR's extensive local knowledge, market expertise, and distribution networks across Africa and the Middle East are pivotal in making Baobab a distinctive partnership model for Lloyd's Syndicates. This model not only opens access to developing markets but also addresses a substantial unmet need for insurance in the region. Currently, risks originating in Africa account for only 2 per cent of Lloyd's market.

The consortium is also designed to attract additional capacity partners throughout 2025. With multiple distribution hubs in Africa and the Middle East, ASR can efficiently deploy capital, fostering sustainable economic growth in the region. Baobab's tailored underwriting solutions are aimed at closing coverage gaps and unlocking new opportunities for insurers.

Mikir Shah, CEO of ASR, commented, "Africa and the Middle East present vast opportunities for insurers, but they require specialist local knowledge and tailored underwriting solutions. ASR offers a unique African-focused platform that increases access to local markets while providing additional global insurance capacity to developing economies."

He added, "I would like to thank our Syndicate partners for their support. We look forward to expanding the Baobab Consortium in the coming months and bringing meaningful global capacity to the region, contributing to its sustainable economic growth."

FG boosts group life assurance budget by 80% in 2025 appropriation bill

THE FEDERAL GOVERNMENT HAS increased the allocation for group life assurance by 80 per cent in the proposed Appropriation Bill for 2025. Listed under the service-wide votes, the sum of N17.31 billion has been allocated to group life assurance for all Ministries, Departments, and Agencies, including the Department of State Services, insurance of sensitive assets, members of the National Youth Service Corps, as well as administration and monitoring.

According to Section 4 (5) of the Pension Reform Act (2014), employers are required to establish group life insurance policies for their workforce. This policy ensures that dependents of a deceased employee receive three times the individual's total annual emolument, thereby easing the financial burden on families. The Revised Guidelines on Group Life Insurance Policies for Employees also stipulate that employers must display a copy of the group life insurance policy certificate prominently within their premises to inform employees and demonstrate compliance.

In 2024, the Federal Government approved N9.6 billion for the renewal of group life insurance for its workers. The Minister of Information and National Orientation, Mohammed Idris, noted during the first Federal Executive Council meeting of 2024 that this sum was allocated to 12 local insurance firms to provide coverage for federal employees. He explained that the policy aims to support employees and their families in cases of death or severe injury.

The proposed 2025 budget also includes N12.42 billion for insurance of sensitive government assets. Under the category of social benefits within the service-wide votes, the budget proposes N55.64 billion for gratuity payments, N914.17 billion for pensions, and N45.92 billion for death benefits. It also allocates N2.30 billion for the entitlements of former presidents, vice presidents, and chiefs of general staff, N24.01 billion for retired heads of service and permanent secretaries, and N1 billion for severance benefits of retired heads of government agencies and parastatals.

The Federal Ministry of Education has included group life insurance in its budget for the first time, allocating N84.76 million for insurance benefits for deceased staff. Additional provisions in the ministry's budget cover staff welfare, identification cards, repatriation allowances, a performance enhancement program for nurses and midwives, and medical requests.

NYSC and 14 other federal entities have collectively allocated N1.41 billion for insurance premiums in the 2025 Appropriation Bill. Of this amount, NYSC plans to spend N1.25 billion, the Ministry of Youth Development headquarters has allocated N10 million, and the Ministry of Environment headquarters has earmarked N9 million.

Various other government bodies have also set aside funds for insurance premiums. The National Senior Citizen Centre budgeted N15 million, the National Commission for Persons with Disabilities allocated N17.39 million, the National Agency for the Prohibition of Trafficking in Persons earmarked N28 million, and the National Biosafety Management Agency headquarters planned for N3.5 million. Additionally, the National Oil Spill Detection and Response Agency allocated N632,133, Gashaka Gumti National Park budgeted N3.05 million, Kainji National Park allocated N2.07 million, and the Forestry Research Institute of Ibadan earmarked N6 million for the same purpose.

MARKET COMMENTARY FOR THE WEEK ENDED 10TH JANUARY, 2025

Focus for the week: FY'25 Telecommunications Outlook - Approaching a silver lining

DESPITE FACING REGULATORY HEADWINDS from the NCC's NIN directive and persistent macroeconomic pressures, the Nigerian telecom sector demonstrated resilience in 2024, achieving 13.94% growth in Q3. This growth was primarily driven by continued expansion in data services and increasing adoption of mobile money, which proved resistant to broader economic challenges. However, profitability was significantly hampered by currency depreciation and inflation, which eroded margins and weakened the financial positions of many operators.

Looking ahead, topline growth is expected to maintain its upward trajectory, fueled by rising demand for data and mobile money services, particularly given the substantial untapped potential in broadband penetration. A gradual rebound in profitability is also anticipated, supported by topline growth and strategic efforts by telecom operators to reduce their foreign exchange exposure through debt repayments and contract renegotiations.

The telecom sector encountered two major setbacks, battling regulatory headwinds and sustained macro pressures. In Q2'24, the NCC directed telcos to disconnect lines without NINs. This slowed subscriber growth and dampened penetration rates.

Despite these headwinds, including significant Naira volatility that further complicated operations, the industry still managed to expand by 13.94% in Q3 2024. This modest growth was fueled by the continued expansion of data services and the increasing adoption of mobile money, both of which proved resilient to broader economic pressures. However, profitability painted a different picture. Currency depreciation and inflation significantly eroded margins, leading to losses for many operators and weakening their financial positions.

Indicators	WK CLS	WK OPEN	WTD (%)	YTD (%)
EQUITIES				
NGX 30	3,908.21	3,824.51	2.19	2.53
NGX All-Share Index	105,451.06	103,586.33	1.80	2.45
Market Cap (NGN bn)	59,651.63	58,596.79	1.80	2.45
FEDERAL GOVERNMENT SECURITIES (%)				
91-Day T-Bill	22.67	25.75	(11.96)	(3.13)
182-Day T-Bill	25.05	25.18	(0.50)	(0.18)
364-Day T-Bill	27.08	27.22	(0.52)	(1.12)
2-Year FGN Bonds	20.50	20.13	1.86	0.39
3-Year FGN Bonds	20.48	20.15	1.63	0.37
5-Year FGN Bonds	20.22	21.20	(4.62)	0.08
7-Year FGN Bonds	22.05	21.98	0.34	0.86
10-Year FGN Bonds	18.25	18.25	0.00	(3.72)
20-Year FGN Bonds	17.72	17.72	0.00	(0.00)
INTERBANK MARKET RATES (%)				
NIBOR OPR	27.29	26.75	0.54	(0.01)
NGN EXCHANGE RATES (₦)				
USD/NGN	1543.03	1534.05	(0.59)	(0.31)
GBP/NGN	1882.50	1902.22	1.04	1.90
EUR/NGN	1573.89	1580.07	0.39	0.33
CNY/NGN	216.02	214.77	(0.59)	(3.13)
ZAR/NGN	80.24	81.30	1.31	1.80
USD/NGN FORWARDS				
1M	1592.88	1573.93	(1.20)	(0.86)
3M	1663.99	1631.60	(1.99)	(1.57)
6M	1775.56	1711.77	(3.73)	(2.86)
1Y	1993.02	1880.59	(5.98)	(4.70)

Source: NGX, FMDQ OTC, Bloomberg, Vetiva Research

SECTOR	INDEX VALUE	WoW Δ	YTD Δ
BANKING	1,120.41	1.94%	3.31%
CONSUMER GOODS	1,737.50	-0.34%	0.34%
INDUSTRIAL GOODS	3,573.90	-0.26%	0.05%
OIL & GAS	2,688.75	-0.34%	-0.86%
VETIVA 30 ETF	41.00	8.61%	9.04%
INSURANCE	788.98	-6.91%	9.89%

Weekly Top 5 Gainers

Stock	Closing Price (₦)	% Change
MULTIVERSE	12.35	53.42%
HONYFLOUR	10.02	31.67%
DAARCOMM	0.88	25.71%
MTNN	242.00	21.00%
NCR	7.30	20.66%

Weekly Top 5 Decliners

Stock	Closing Price (₦)	% Change
SUNUASSUR	7.30	-36.52%
CAVERTON	2.38	-15.00%
CONHALLPLC	3.40	-15.00%
RTBRISCOE	2.57	-14.33%
JAIZBANK	2.90	-10.77%

Source: Vetiva Research

What shaped the past week?

Equities: The local market increased by 1.80% w/w to settle at 105,451 points, driven by gains in the Banking sector. The sector inched up (+1.94%), driven majorly by gains in WEMA (+10.00%) and FBNH (+8.05%). Leading the losers chart was the Insurance sector (-6.31%), as profit taking in names like SUNUASSUR (-36.52%) and CONHALLPLC drove the sector lower. Also, the Consumer Goods sector declined 0.34% w/w, driven by losses in GUINNESS (-7.47%) and INTBREW (-5.36%). Finally, losses were recorded in the Oil & Gas sector, due to profit taking activities in counters like OANDO (-3.10%).

Fixed Income:

This week, trading activities were mostly mixed. During the week, the DMO, through the CBN, conducted an NTBs auction. ₦515 billion worth of bills were offered, and the total allotment reached ₦515 billion as subscriptions exceeded ₦1.5 trillion. At the auction, the stop rates remained unchanged for the 91-day and 182-day bills at 18.00% and 18.50%, respectively, while the 364-day paper saw a 28bps decline, settling at 22.62%. At the end of the week, yields on the 91-Day. 182-Day and 364-Day papers declined by 1,196bps, 50bps and 52bps to 22.67%, 25.05% and 27.08% respectively. While yields on the 2-year and 3-year bonds rose by 186bps and 163bps to 20.50% and 20.48% respectively.

Currency: At the NAFEM, the Naira slightly depreciated by ₦8.98 w/w to close the week at ₦1,543.03 per dollar.

Domestic Economy: Nigeria's manufacturing sector ended 2024 on a high note, with the Purchasing Managers' Index (PMI) climbing to 52.70 points in December. This surge was driven by a spike in demand during the festive season, fueling growth in new orders and boosting both employment and output. The positive PMI signals sustained expansion in the sector, with potential to drive Q4 GDP growth above 3%. As demand continues to rise, manufacturers are set to ramp up production and hire more workers. This growth not only promises a reduction in unemployment but also strengthens the broader economy. The manufacturing sector's momentum is set to be a key driver of Nigeria's economic recovery in 2025.

Global: Global stocks fell, while U.S. Treasury yields rose on Friday after a stronger-than-expected jobs data reinforced expectations that the Federal Reserve will likely keep interest rates elevated for longer than traders were betting on. The Dow Jones Industrial Average, fell by 1.63% to 41,938.45 ppts, the S&P 500 also fell by 1.54% to 5,827.04 ppts, and the Nasdaq Composite fell by 1.63% to 19,161.63 ppts. The yield on benchmark U.S. 10-year notes rose 8bps to 4.761%. The European stock markets also closed lower in Friday's trading, as The Stoxx Europe was down 0.83%, Germany's DAX fell 0.47%, the FTSE in London dropped 0.86%, France's CAC lost 0.79%, and the Swiss Market Index shed 1.13%. In Asian markets, stocks lost on Friday, Japan's Nikkei 225 fell by 0.6%, while the TOPIX lost 0.5%. China's Shanghai Shenzhen CSI 300 and Shanghai Composite indexes fell about 0.3% each, while Hong Kong's Hang Seng index was flat.

What will shape markets in the coming week?

Equity market: Next week, we anticipate investors to maintain their positioning ahead of full-year earnings releases, with corporate actions likely serving as a key market driver. Banking and consumer goods sectors are expected to steer market direction, while the insurance space may experience another round of volatility. Additionally, investors will keep a close eye on developments in the macroeconomic space for further cues Overall, we foresee a volatile trading week across all sectors.

Fixed Income: In the coming week, we anticipate a period of relatively quiet trading activity across the market, likely to be influenced by the upcoming NTBs auction scheduled for Wednesday. As investors await the outcome of the auction, we expect a degree of caution and reduced trading volumes.

MONEY Nuggets

TUNDE OYEDOYIN

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

Activate your financial goals with 5 key ingredients

HAS ANYONE EVER approached you and said they needed financial help this year? Or have you even called your better-off friends and said you needed financial help? Follow the drift.

Congratulations, if you've taken action by hitting the reset button after last week's piece. If for any reasons you haven't scribbled down your financial goals for the year, make sure you lay down that marker as soon as you're through reading this particular article.

Having set our financial goals, the next step is to take another glance at them and make sure they have the commonly known five criteria: SMART. Folks, this is not a cliche, if your financial goals are not: Specific, Measurable, Achievable, Realistic (or Relevant) and Time-bound, they're not then worth the paper on which you've pencilled them.

A YouTuber I follow said something in an old video of hers I watched last week. She was on the money when she said "be specific with what you want in 2025. If that's the only thing you take away from this piece, you would have earned your stripes.

Little wonder then that during conversations or meetings, you hear one party telling the other, "don't beat about the bush." That saying is evergreen and is as relevant today as it's going to be tomorrow. As a matter of fact, it seems it's very much applicable to anyone heading somewhere. Assuming in the examples used in the opening, the person who approached you kept saying "I just need help every month". Well, you'll probably have to figure out how much they want from you every month.

But if someone else asks you to help them with five thousand naira each month to buy data, you're more likely to know how to respond to the specific request.

Not surprisingly, when Zenith Bank, in line with last year's directive from the Central Bank of Nigeria (CBN), that banks should beef up their war chest, went to the market to shop for the additional capital needed, the five ingredients mentioned above featured in their public offer listing. Yours truly will actually flip things around and use their listing as the backdrop for this piece.

Firstly, by coming to raise capital in the stock market through a public offer, that was evident of the financial goals they set for themselves as an organisation. If we go further to unpack it, you'll discover the amount they had to raise was measurable. They didn't just send out a vague prospectus. Thirdly, they'd figured out that they could achieve the goal. Hence, they made the offer public.

Was their listing realistic or relevant? You bet it was. Not only did they know they were being realistic with the amount they had to raise, the listing was relevant in order to beef up their capital base in line with the CBN's order. It was also relevant in that they wanted to remain in business. Lastly, the offer was on the table for a specific time. Anybody wanting a slice of the cake then would have jumped in. Yours truly even did a pro bono — free promo — for them during the period. It was to let readers have a bit of the action.

Therefore, take a look at the financial goals you've set and put time markers on them. Be specific as well. If you want to increase your savings, be specific with the amount you intend on putting away.

In closing, an email of an offer of a new development in Lagos landed in my inbox last week. The monthly payment is over a quarter of a million naira. Not realistic for me. So, yours truly won't be ringing them for reservations.

RETURNS ON UTILIZATION OF FUNDS SOLD TO CUSTOMERS FOR THE WEEK ENDED FRIDAY 10th-JANUARY 2025

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

BANK: ECOBANK NIGERIA LIMITED

SN	CUSTOMER	ITEM OF IMPORT	DATE OF FUND SALE	USD EXCHANGE RATE	AMOUNT
1	UNITED SURGICAL LIMITED	MEDICAL EQUIPMENT	06-Jan-25	1,550.00	109,000.00
2	MATRIX ENERGY LIMITED	GASOLINE	06-Jan-25	1,538.00	500,000.00
3	RAINBOW AGROSCIENCES COMPANY LIMITED	AGRICULTURAL HERBICIDES GLUFOSINATE AMMONIUM 200G/L SL (BASTNATE 200 SL) PACKED IN 1L/D*12/C, FOR CROP PROTECTION PURPOSE	07-Jan-25	1,541.00	40,000.00
4	ULYSSES NIGERIA LIMITED	PARA DICHLORO BENZENE (PDCB)	07-Jan-25	1,545.00	107,625.00
5	TOMBO INDUSTRIES LIMITED	INDUSTRIAL CHEMICALS	07-Jan-25	1,545.00	50,000.00
6	OLUJOBI OLUTOLA ABIMBOLA	EDUCATION	07-Jan-25	1,545.00	14,460.10
7	ORNUA DAIRY PRODUCTS NIGERIA LTD	REPAYMENT FOREIGN LOANS	07-Jan-25	1,550.00	5,505.00
8	ROBERT OGHENETEGA OMAMOGHO	EDUCATION	07-Jan-25	1,545.00	3,772.20
9	VISTA INTERNATIONAL LIMITED	INJECTION MOULDING MACHINERY WITH ACCESSORIES FOR PEN MANUFACTURING INDUSTRY	07-Jan-25	1,540.00	10,000.00
10	PRINT BOX NIGERIA LIMITED	ONE COMPLETE UNIT OF FULLY AUTOMATIC FLEXOGRAPHIC PRINTING MACHINERY WITH ACCESSORIES FOR PRINTING AND PACKAGING INDUSTRY	07-Jan-25	1,540.00	10,000.00
11	NESTPOWER GLOBAL LTD	NEW AGRICULTURAL WATER PUMP	08-Jan-25	1,528.00	81,716.42
12	AAVA BRANDS LTD	JOHNSON & JOHNSON'S PRODUCTS	08-Jan-25	1,543.00	85,887.00
13	NESTLE NIGERIA PLC	VITAMIN PREMIX BEV 6070	09-Jan-25	1,550.00	2,680.07
14	SACRAL INDUSTRIES LTD	KENSTAR SPLIT AIR CONDITIONER IN CKD	09-Jan-25	1,535.00	93,939.20
15	SEAGLE INTERNATIONAL LTD	ROYAL BRAND LITHIUM GREASES	09-Jan-25	1,535.00	52,300.00
16	JETLINK LIMITED	MOBILE INTERPRETATION SYSTEM	09-Jan-25	1,552.00	163,642.33
17	NESTPOWER GLOBAL LTD	NEW AGRICULTURAL WATER PUMP SUMEC BRAND WP30X	10-Jan-25	1,546.00	38,010.26
18	NESTPOWER GLOBAL LTD	NEW AGRICULTURAL WATER PUMP SUMEC BRAND WP30X	10-Jan-25	1,542.00	61,989.74
19	SACRAL INDUSTRIES LTD	KENSTAR SPLIT AIR CONDITIONER IN CKD	10-Jan-25	1,542.00	93,946.75
20	SACRAL INDUSTRIES LTD	KENSTAR SPLIT AND FLOOR STANDING AIR CONDITIONER IN CKD	10-Jan-25	1,542.00	93,941.40
21	SWEET NUTRITION LTD	RED CHILLI POWDER FOR INDUSTRIAL USE	10-Jan-25	1,555.00	20,000.00
22	WANDEL INTERNATIONAL NIG LTD	TVS NEO NX CW DISC 110CC MOTORCYCLES IN CKD - TVS NEO BRAND	10-Jan-25	1,549.00	597,350.00
23	WEST AFRICAN CERAMICS LIMITED	SOLVENTLESS ADHESIVES INDUSTRIAL USE	10-Jan-25	1,555.00	20,945.20

RETURNS ON SOURCES OF FUNDS PURCHASED FROM CUSTOMERS FOR THE WEEK ENDED FRIDAY 10th JANUARY, 2025

SN	SOURCE	DATE OF FUND PURCHASE	USD EXCHANGE RATE	AMOUNT
1	EXPORT PROCEEDS	6-Jan-25	1,515.00	194,702.00
2	DOMICILIARY ACCOUNTS	6-Jan-25	1,502.53	15,000.00
3	RETAIL REMITTANCES	6-Jan-25	1,550.00	1,431.23
4	OTHERS	7-Jan-25	1,532.00	113,213.93
5	EXPORT PROCEEDS	7-Jan-25	1,530.00	100,000.00
6	DOMICILIARY ACCOUNTS	7-Jan-25	1,510.00	300,000.00
7	RETAIL REMITTANCES	7-Jan-25	1,550.01	940.90
8	OTHERS	8-Jan-25	1,492.64	180.04
9	OTHERS	8-Jan-25	1,492.64	284.11
10	OTHERS	8-Jan-25	1,492.64	4,942.67
11	OTHERS	8-Jan-25	1,492.64	5,251.90
12	OTHERS	8-Jan-25	1,492.64	7,333.89
13	OTHERS	8-Jan-25	1,492.64	7,755.41
14	OTHERS	8-Jan-25	1,492.64	15,393.64
15	OTHERS	8-Jan-25	1,492.64	16,825.06
16	OTHERS	8-Jan-25	1,492.64	17,229.77
17	OTHERS	8-Jan-25	1,492.64	23,944.57
18	OTHERS	8-Jan-25	1,492.64	31,384.52
19	OTHERS	8-Jan-25	1,492.64	33,991.71
20	OTHERS	8-Jan-25	1,492.64	48,266.00
21	OTHERS	8-Jan-25	1,538.80	86,999.73
22	OTHERS	8-Jan-25	1,542.50	108,641.90
23	OTHERS	8-Jan-25	1,543.50	247,955.22
24	DOMICILIARY ACCOUNTS	8-Jan-25	1,525.80	51,350.00
25	DOMICILIARY ACCOUNTS	8-Jan-25	1,520.00	300,000.00
26	DOMICILIARY ACCOUNTS	8-Jan-25	1,520.00	80,000.00
27	DOMICILIARY ACCOUNTS	8-Jan-25	1,508.02	81,716.42
28	DOMICILIARY ACCOUNTS	8-Jan-25	1,520.00	250,000.00
29	RETAIL REMITTANCES	9-Jan-25	1,545.26	1,233.38
30	RETAIL REMITTANCES	9-Jan-25	1,539.96	81.57
31	RETAIL REMITTANCES	9-Jan-25	1,540.09	122.67
32	RETAIL REMITTANCES	9-Jan-25	1,548.12	598.61
33	RETAIL REMITTANCES	9-Jan-25	1,549.79	1,610.57
34	DOMICILIARY ACCOUNTS	9-Jan-25	1,520.00	173,000.00
35	DOMICILIARY ACCOUNTS	9-Jan-25	1,515.00	95,000.00
36	OTHERS	10-Jan-25	1,504.75	29.04
37	OTHERS	10-Jan-25	1,504.75	469.23
38	OTHERS	10-Jan-25	1,504.75	3,141.85
39	OTHERS	10-Jan-25	1,504.75	5,264.42
40	OTHERS	10-Jan-25	1,504.75	16,271.81
41	OTHERS	10-Jan-25	1,504.75	17,224.45
42	OTHERS	10-Jan-25	1,504.75	19,024.23
43	OTHERS	10-Jan-25	1,504.75	19,248.13
44	OTHERS	10-Jan-25	1,551.29	59,114.74
45	OTHERS	10-Jan-25	1,504.75	59,184.16
46	OTHERS	10-Jan-25	1,543.83	89,977.80
47	RETAIL REMITTANCES	10-Jan-25	1,548.57	199.35
48	RETAIL REMITTANCES	10-Jan-25	1,545.60	357.49
49	EXPORT PROCEEDS	10-Jan-25	1,540.00	190,000.00
50	DOMICILIARY ACCOUNTS	10-Jan-25	1,520.68	10,000.00
51	DOMICILIARY ACCOUNTS	10-Jan-25	1,497.98	149,476.83
52	DOMICILIARY ACCOUNTS	10-Jan-25	1,515.00	24,877.89
53	DOMICILIARY ACCOUNTS	10-Jan-25	1,492.64	25,000.00
	TOTAL AMOUNT			**3,105,242.84**
	AVERAGE AMOUNT			**58,589.49**

Stories by Onome Amuge

Nigeria's fate hanging as alternative cocoa takes centre stage in chocolate's evolution

COCOA EMERGED AS THE best-performing commodity in 2024, outpacing even bitcoin and solidifying its status as the most lucrative crop.

But amidst the price surge and the gains made by cocoa producers lurks a threat that could spell doom for cocoa farmers in top producers, Cote d'Ivoire, Ghana as well as Nigeria. With chocolate manufacturers beginning to turn their attention to alternative, non-cocoa ingredients, the days of cocoa-based chocolate may be numbered as the prized commodity risks losing demand in the global market.

The cocoa market experienced its worst shortage in over six decades during the 2023-2024 marketing year, with production falling short of demand in the world's leading cocoa-producing countries, according to data from the International Cocoa Organization (ICCO) cited by ING in a research note.

The deficit in the global cocoa market has led to an increase in cocoa prices, causing turmoil for chocolate manufacturers as they struggle to operate and sustain their businesses in this challenging period.

With cocoa supplies shrinking, the industry is increasingly looking for innovative alternatives that can recreate the classic chocolate experience without relying on traditional cocoa beans.

In a bid to mimic chocolate's distinct flavour profile, ingredients such as fava beans, oats, barley, sunflower seeds, and grape seeds are being processed through roasting and fermentation techniques, aiming to replicate the essence of chocolate without depending on cocoa as the primary ingredient.

According to reports, while cocoa-free chocolate initially emerged as a response to the cocoa shortage, it has evolved into a potential game-changer in the industry. By harnessing the power of plant-based and sustainable alternatives, cocoa-free chocolate is seen forging a new path, offering a future where chocolate can still be enjoyed without the traditional cocoa bean as the backbone.

Among the viable alternatives emerging in the cocoa-free chocolate market, fava beans are quickly gaining traction, thanks to their impressive sustainability credentials.

The case for fava beans as a sustainable alternative to cocoa beans is bolstered by a recent study by The Mills Fabrica, which found that fava beans generate between 0.23 and 0.58 kg of carbon dioxide equivalent (CO_2e) per kilogramme, compared to the 1.47 kg CO_2e per kilogramme associated with cocoa beans.

In addition, ingredients like oats and sunflower seeds have been found to offer a more resource-efficient and less resource-intensive solution, reducing the strain on the planet while still delivering the flavours and textures that consumers crave.

The promise of cocoa-free chocolate is not only limited to its environmental benefits as manufacturers are also recognising the potential for cost savings.

As demand for plant-based alternatives continues to rise and the market for cocoa-free chocolate evolves, manufacturers are optimistic that adopting these ingredients could not only appeal to consumers who prioritise sustainability in their purchasing decisions but also drive down production costs, allowing them to reap the rewards of a more efficient and cost-effective chocolate-making process.

Startups leading the charge to cocoa-free chocolate production

'Planet A' Foods is setting a new standard in the cocoa-free chocolate industry, using oats and sunflower seeds as the base for its innovative chocolate products.

The German startup's breakthrough technology transforms these ingredients into a cocoa-free concentrate and butter, which can be combined to create cocoa-free chocolate that closely mimics the taste and texture of traditional chocolate. The company's ChoViva product has already made its way into the market, appearing in various products such as biscuits and peanut butter cups, satisfying the sweet tooth of German consumers while keeping cocoa out of the equation.

Voyage Foods, a U.S based startup, is also revolutionising the chocolate industry by introducing cocoa-free chocolate made from upcycled grape seeds from postharvest wine production, vegetable oil, cane sugar, sunflower protein flour, natural flavours, sunflower lecithin, and salt.

In a divergence from other cocoa-free chocolate start-ups that leverage multiple ingredients to replicate cocoa, UK-based NUkoko has identified the fava bean, also known as the broad bean—as the key to their cocoa-free chocolate solution.

Founder David Salt, a plant scientist, noted that the seed storage protein vicilin found in the fava bean can be broken down, roasted, and transformed into a chocolatey flavour profile. By utilising a controlled fermentation and drying process, NUkoko believes they can produce their cocoa-free chocolate at a lower cost than conventional chocolate when produced at scale.

Win-Win, a London-based company, is also blazing a trail in the cocoa-free chocolate market by utilising conventional chocolate-making equipment to create alternatives made from barley and carob.

By harnessing the power of traditional chocolate-making methods, Win-Win is confident it has been able to replicate the archetypal bitterness and fruity acidity associated with dark chocolate, despite its cocoa-free ingredients.

Impact of alternative-cocoa on Nigeria's production

Cocoa serves as a major economic driver for Nigeria, with exports averaging $543 million annually between 2019 and 2023, largely destined for European markets.

With Europe accounting for over 55 per cent of Nigeria's total cocoa exports each year, the continent represents a crucial market for the country's cocoa-based products, playing an essential role in its economy.

While Nigeria's cocoa export revenue saw a 298 per cent increase in the first half of 2024 compared to 2023, there are rising indications that the country's economy remains vulnerable to potential disruptions from cocoa-free chocolate alternatives amid rising cocoa prices.

Sharing his sentiment, Peter Aikpokpodion, a professor of Genetics and Biotechnology at the University of Calabar, believes that the rise of cocoa-free chocolate alternatives presents an opportunity, rather than a threat, for Nigeria's cocoa industry.

According to Aikpokpodion, the competitive pressure from cocoa-free alternatives can stimulate innovation and efficiency in cocoa production, ultimately strengthening Nigeria's cocoa industry.

"We need to move towards cocoa processing aside from raw production as this would play a major role in increasing our cocoa profit share in the world market. The ratio per capita for cocoa processing is very high. As a result, the government needs to create partnerships with indigenous investors in this aspect. This would expand the value chain of the cocoa sector and create more jobs for the populace," the experienced agronomist and cocoa specialist suggested.

Aikpokpodion stressed the importance of providing affordable and improved farming tools and materials to Nigerian cocoa farmers, which would help increase productivity and competitiveness.

Furthermore, he emphasised the need for quality improvement and control measures, which can ensure the consistent production of high-quality cocoa beans that meet the standards of international markets.

Aikpokpodion also suggested incentivising large-scale cocoa processing as a means of quality control, since larger processing operations are more likely to have the resources and expertise to maintain consistent quality standards.

"We cannot be competitive if we do not have institutions around our cocoa. If we don't have a commission controlling it, we are showing to the outside world that we are not serious about it. It is when you have a governance framework that all these subjections can work.

"We have been exporting cocoa for many years now and nothing has happened and nothing will happen until something is done to create an institutionalised framework to guide and coordinate the cocoa industry and elevate its relevance as a major export earner and wealth generation commodity," he added.

Sugar rebounds on back of oil market rally

SUGAR FUTURES EDGED higher in recent trading, with market participants initiating short covering in response to a surge in crude oil prices. This is as WTI crude prices jumped over three percent to a three-month high, which in turn provided a boost to ethanol prices.

March sugar futures traded on the New York exchange (NY) closed 0.12 cents higher, gaining 0.63 percent, while March white sugar contracts on the London ICE exchange (ICE) settled 1.90 cents higher, an increase of 0.38 percent.

According to analysts, as global sugar mills seek to capitalie on favourable ethanol prices, they may choose to divert more of their cane crushing operations towards ethanol production instead of sugar production. This potential shift in production priorities could result in a decrease in sugar supplies, thus contributing to the upward pressure on sugar prices. While the recent gains in sugar prices indicate renewed optimism among traders, it is essential to consider the broader market dynamics. NY sugar futures hit a four-month nearest-futures low recently, and London sugar futures touched a 2-3/4 year low, reflecting a downward trend in sugar prices over the past few months.

The weakening prices were driven by an improved supply outlook for sugar, which has largely eased concerns about shortages and alleviated some of the upward pressure on prices. In November, the International Sugar Organization (ISO) released its updated forecast, indicating a reduction in the projected global sugar deficit for 2024/25 to 2.51 million metric tonne (MMT), compared to an earlier forecast of 3.58 MMT.

Furthermore, ISO revised its 2023/24 global sugar surplus estimate to 1.31 MMT, up from an earlier projection of 200,000 MT.

In December, India's Food Secretary Chopra suggested that India could consider allowing sugar exports if there is a surplus after the country meets its domestic ethanol blending requirements.

Sugar prices saw a momentary rebound to their highest levels in three weeks recently, following an announcement by the Indian Sugar and Bio-energy Manufacturers Association (ISM) that India's sugar production from October 1 to December 31 had decreased by 15.5 percent year-over-year to 9.54 MMT.

This revelation fueled speculation that the Indian government may continue to maintain existing sugar export restrictions, which could potentially result in lower global sugar supplies and, consequently, a boost to sugar prices.

Gold rallies amid Trump policy uncertainty, strong US jobs data

Stories by Onome Amuge

GOLD TRADED HIGHER IN response to political uncertainty surrounding the incoming Donald Trump administration, increasing demand for safe-haven assets, despite strong US employment data that boosted expectations of less aggressive interest rate cuts from the Federal Reserve.

Investors' appetite for gold was fueled by concerns over the potential impact of Trump's policies on global markets, causing many to seek shelter in the precious metal.

Spot gold saw a 0.9 percent surge to $2,695.26 per ounce, while US gold futures soared 1.3 percent to $2,725.90, brushing off a brief dip following the release of robust US employment data.

The US job market surprised economists with the addition of 256,000 jobs in the last month, outperforming the projected 160,000. Unemployment held steady at 4.1 percent, defying expectations of a 4.2 percent rate.

Despite the initially negative reaction to the employment figures, gold prices swiftly recovered and even reached their highest level in nearly a month, poised for a weekly gain of over two percent.

Lydia Shehu Jafiya (r), permanent secretary, Federal Ministry of Finance; with Raymond Omenka Omachi, permanent secretary, special duties, Federal Ministry of Finance, during Omachi's assumption of office, in Abuja recently.

Tai Wong, an independent metals trader, explained that the strong resilience of gold prices despite a generally positive economic outlook indicates that gold sellers are hesitant, as the dramatic rise in gold prices last year has likely instilled caution among gold traders.

The initial knee-jerk reaction to the unexpectedly strong US employment data was short-lived, according to market observers. Short-term traders and automated trading programmes that sold gold in response to the data quickly reversed course, leading to a rebound in gold prices.

The rally in gold was supported by a stronger dollar and falling US stock futures, as traders revised their expectations for the Federal Reserve's monetary policy. The market now anticipates that the Fed will implement only 30 basis points worth of rate cuts throughout the year, compared to the 45 basis points previously priced in prior to the data release.

David Meger, director of metals trading at High Ridge Futures, commented on the gold market's resilience in light of the unexpectedly strong US employment data. He noted that despite the positive data, gold continues to hold its ground thanks in part to the uncertainty surrounding the upcoming presidential inauguration.

With Donald Trump's inauguration as President of the United States just days away, investors are anxiously awaiting clarity on his stated intention to impose tariffs on a variety of imported goods. This uncertainty has caused concern that such tariffs could lead to inflationary pressures, which in turn could limit the Federal Reserve's scope to lower interest rates, a tool often used to stimulate the economy.

Also trading in bullish terrain, silver, platinum, and palladium posted gains in the spot market, with silver climbing 0.9 percent to reach $30.40 per ounce, platinum firming 0.2 percent to $960.20, and palladium gaining 2.3 percent to $948.00.

The weekly performance of all three precious metals appears positive, suggesting that investors are continuing to flock to safe-haven assets in the face of uncertainty and market volatility.

Oil climbs 3% following stricter US sanctions on Russian oil

THE OIL MARKET EXPERIENCED a notable surge, with prices rallying almost three percent to their highest levels in three months as traders reacted to the far-reaching U.S. sanctions targeting Russian oil and gas revenue.

The sanctions, which are set to take effect soon, are expected to disrupt the global oil supply chain, driving up prices as traders move to secure alternative sources.

The U.S. government, under President Joe Biden, has taken a major step in its efforts to economically isolate Russia by imposing a fresh set of sanctions that target various Russian entities involved in the production, distribution, and transportation of oil.

Following the development, Brent crude futures closed at $79.76 a barrel, an increase of $2.84 or 3.7 percent, after briefly crossing the $80 mark. Meanwhile, WTI crude futures gained $2.65 or 3.6 percent, settling at $76.57 per barrel, marking a three-month high.

As the sanctions against Russia's oil sector start to take effect, sources in the Russian oil trade and Indian refining industries said the measures will disrupt the country's exports to major buyers like India and China.

Commenting on the implications of the sanctions, UBS analyst Giovanni Staunovo, remarked that they will lead to a reduction in the volume of Russian oil exports and increase the cost of those exports.

Apart from the sanctions-induced market volatility, the current cold snap gripping the U.S. and Europe has provided additional support for oil prices, according to Alex Hodes, analyst at brokerage firm StoneX.

As analysts at JPMorgan estimated in a recent note, the global oil market can anticipate a year-over-year increase of 1.6 million barrels a day in the first quarter of 2025. This growth is primarily driven by a notable rise in demand for heating oil, kerosene, and liquified petroleum gas (LPG), which are essential products for heating homes and businesses during winter.

Iron Ore climbs amid weak demand

IRON ORE FUTURES EDGED higher, underpinned by the expansion of economic stimulus measures from China, the world's top consumer of iron ore,despite being on track to end the week lower.

This cautious sentiment reflected a combination of factors, including sluggish Chinese consumption and weakening demand for iron ore as an essential ingredient in steel production.

The most active iron ore contract for May delivery on the Dalian Commodity Exchange (DCE) rose 0.2 percent to 752 yuan ($102.57) per metric tonne on Friday, despite recording a weekly decline of 2.15 percent. Meanwhile, the benchmark iron ore contract for February delivery on the Singapore Exchange edged lower by 0.16 percent, reaching $96.9 a tonne and registering a weekly drop of 1.17 percent.

Analysts at the Chinese consultancy Galaxy Futures attributed the downward pressure on iron ore prices to waning seasonal demand for steel, as steel sales volume expectations have weakened significantly. This slowdown in steel demand was echoed in a report from China's National Development and Reform Commission (NDRC), according to the Chinese consultancy Mysteel.

The broader steel market on the DCE (Dalian Commodity Exchange) witnessed a downward trend for other steelmaking ingredients, with coking coal declining by 1.05 percent and coke slipping 0.59 percent.

Conversely, the Shanghai Futures Exchange (SHFE) saw gains in most steel benchmarks, with rebar ending the day up 0.12 percent, hot-rolled coil rising 0.15 percent, and stainless steel climbing 0.19 percent. However, wire rod bucked the trend, dipping slightly by 0.14 percent.

Copper hits nearly one-month high on strong China demand

THE GLOBAL COPPER MARKET saw an uptick, with benchmark prices hitting a near one-month high, driven by a stronger demand for copper from China, the world's largest consumer of metals.

Meanwhile, copper prices in the US were observed to contract their premium over London copper prices ahead of the anticipated imposition of US tariffs.

Three-month copper contracts on the London Metal Exchange (LME), recorded a gain of 0.1 percent, reaching an intraday high of $9,145 per metric tonne—the highest since December 12th.

On the Shanghai Futures Exchange (SHFE), the most actively traded copper contract for February delivery registered a 0.8 percent increase, settling at 75,270 yuan ($10,264.73) per tonne.

The uptick in the Chinese market was reinforced by a spike in the premium paid over SHFE prices for immediate copper delivery, which reached 145 yuan, the highest level since September, when compared to a discount of 40 yuan on December 30th.

Dan Smith, the head of research at Amalgamated Metal Trading, commented on the macroeconomic landscape, suggesting that while the overall outlook for base metals appears somewhat bearish, the Chinese market seems to be demonstrating strong demand for these commodities, which could be driving prices upwards.

On the LME, lead prices emerged as the top performer among base metals, registering a 2.5 percent gain, thus reaching $1,976.50 per tonne.

According to Robert Montefusco, a broker at Sucden Financial, this price uptick was partly driven by Commodity Trade Advisor (CTA) investment funds, which are primarily algorithmic or computer-driven.

Montefusco further explained that the buying activity was, to some extent, a result of the index rebalancing flows.

The LME data revealed a substantial short position in January lead futures, with one party holding a sizeable 30-39 percent of the total open interest.

In addition to lead's sharp gains, other metals also recorded price increases, with LME aluminum edging up 1.3 percent to settle at $2,572 per tonne, nickel rising one percent to $15,630, zinc inching up 0.8 percent to $2,870, and tin remaining largely steady at $29,860.

Corn, soybean hold steady ahead USDA report

CHICAGO SOYBEAN AND corn futures markets experienced price increases as traders shifted their positions in preparation for the upcoming USDA crop reports, while weather-related concerns in South America continued to provide support for prices.

On the Chicago Board of Trade (CBOT), the most active corn contract traded up 0.3 percent to close at $4.57-1/4 per bushel, while soybeans recorded a 0.3 percent uptick, reaching a settlement price of $10.02-¼ per bushel.

Chicago soyoil futures extended their rally, hitting a seven-week high amid growing expectations that the outgoing administration of President Joe Biden would issue short-term guidance on clean fuel tax credits, potentially resulting in a boost to domestic demand for soyoil. Meanwhile, wheat prices eased slightly as a stronger US dollar, which tends to make dollar-denominated commodities less appealing to buyers using other currencies, exerted downward pressure on prices.

The grain markets are eagerly awaiting the release of the USDA's monthly world supply and demand report, which is set to provide an up-to-date overview of global grain markets alongside estimates of US grain stocks and winter wheat seeding.

Stories by Onome Amuge

Nigerian banks achieve higher customer satisfaction levels in 2024-KPMG

NIGERIA'S BANKING INDUSTRY WITNESSED notable advancements in customer experience across multiple sectors in 2024, particularly in corporate and SME banking, as outlined in a report by global professional services firm, KPMG.

KPMG's second annual West Africa customer research publication, which includes feedback from over 33,000 retail customers, 5,000 SMEs, and 700 commercial and corporate organizations in both Nigeria and Ghana, provides an overview of the banking industry's performance in customer experience across the region.

The Banking Industry Customer Experience Survey for 2024 observed ongoing challenges in the retail banking segment, where traditional banks face intense competition from fintech players and struggle to differentiate their offerings, a situation that poses an obstacle to enhancing customer experience in this crucial sector.

Despite the challenges observed, the KPMG report disclosed that the corporate banking segment took the lead in overall customer experience ratings, with Guaranty Trust Bank (GTBank) regaining its position at the top of the table after a seven-year absence.

The bank's resurgence in the corporate banking segment is attributed to its enhanced ability to resolve account issues promptly, as well as its dedication to nurturing stronger relationships with clients, factors that have collectively propelled GTBank to the forefront of the corporate banking customer experience landscape.

Facing intense competition in the Nigerian corporate banking space, Zenith Bank and Access Bank emerged joint second in customer experience rankings. Both banks earned plaudits for their client-centered support during economic challenges, setting them apart with their proactive approach.

L-R: Anayo Uzuegbu, commissioner of police, Enugu State Command; Osondu Ifeanyichukwu, Aide-de-camp to the governor of Enugu State, and Peter Mbah, governor, Enugu State, during the decoration of Osondu with his new rank as superintendent of police at the Government House, Enugu, recently.

Meanwhile, United Bank for Africa (UBA) and Citibank rounded out the top five, showcasing their adaptability and resilience in the banking industry

The KPMG report also highlighted the rising demand for efficient and reliable digital banking solutions in Nigeria, driven by increasing inflation, persistent currency instability, and the lingering effects of cash shortages and ATM withdrawal limits from the previous year.

In response, Nigerian customers are increasingly turning to digital channels for their banking needs, resulting in an uptick in data and airtime usage.

The report further showcased that customer experience in the SME segment recorded the highest growth in Nigeria, with a 5-percentage-point increase compared to the previous year.

Stanbic IBTC maintained its top position in this segment, scoring high on personalisation, a factor that remains a challenge for many banks. United Bank for Africa (UBA) and Wema Bank tied for the second spot, with UBA exhibiting notable improvements in digital platform usability and relationship management.

Despite these achievements, the report identified personalisation as the weakest-performing experience pillar across the SME sector. This is as banks continue to face challenges in delivering value-added services that address the unique needs of small businesses.

In retail banking, improvements were marginal, driven primarily by the rise of fintechs like PalmPay, Opay, and Moniepoint.

"These digital-first players have consistently outperformed traditional banks in offering seamless digital experiences, instant payments, and superior transaction services. In contrast, traditional banks have struggled to innovate, with retail customer satisfaction falling more than two percentage points compared to last year," KPMG stated.

Stanbic IBTC remained at the helm of the retail banking sector, securing the top spot for the fourth consecutive year due to innovative enhancements in its mobile app features and robust security measures. However, a 2.7-percentage-point drop in its customer experience score suggests that the bank has room for improvement in its mobile app reliability, a factor that has negatively affected the overall customer satisfaction rating.

First City Monument Bank (FCMB) and United Bank for Africa (UBA) secured the second and third positions, respectively. FCMB's efficient transaction processing was lauded, contributing to the bank's overall strong performance in customer experience. UBA also earned recognition for its highly effective chatbot, a technology-driven solution that has enhanced the bank's customer engagement and support capabilities.

The KPMG report identified the critical importance of digital services in shaping customer satisfaction across all banking segments, with securing account information and transactions ranking as the top satisfaction driver.

The report highlighted empathy as the most highly rated pillar of customer experience for both retail and corporate clients. Empathy, a key component of customer-centricity, involves understanding and responding to customers' needs, concerns, and perspectives, which impacts their overall satisfaction and loyalty.

Conversely, personalisation, which involves customising products and services based on individual customers' preferences, continues to struggle as the weakest pillar for both retail and corporate customers. "This so-called "personalisation paradox" highlights customers' perception of generic services marketed as tailored," it stated.

According to the KPMG report, resolution, previously a weak area in banking customer experience, recorded notable improvements across the industry.

Also, retail customers experienced improved professionalism in call center interactions and faster responses on social media platforms, while small and medium enterprises (SMEs) benefited from enhanced point-of-sale (POS) support.

Despite these strides, the heightened customer expectations that these enhancements have created now place increased pressure on banks to continually raise the bar and deliver superior service levels, the report noted.

Despite hopes for economic recovery, the KPMG report indicated that the macroeconomic environment in Ghana and Nigeria has remained stubbornly challenging over the past year, with individual and business customers bearing the brunt of the ongoing struggles.

According to the report, as eroding purchasing power and struggling businesses become the norm, banks are confronted with a delicate balancing act, striving to deliver exceptional customer experiences while addressing the realities of a difficult economic landscape.

BUA Cement pledges continued support to Edo's economy

BUA CEMENT PLC, a leading cement manufacturer in Nigeria, has reaffirmed its pledge to support the growth of its host communities in Edo State by fostering economic development in the region.

BUA Group, under the leadership of Abdul Samad Rabiu, played a pivotal role in revitalising the Edo Cement Company in 2008 when the federal government led a divestment and privatisation exercise aimed at transforming the struggling company into a profitable business.

According to BUA Group, when it acquired the Edo Cement Company in 2008, the facility was barely functional, struggling with outdated equipment and limited production output.

However, buoyed by a commitment to revitalising the plant, BUA Cement has turned Edo Cement into a beacon of growth, resilience, and an enduring partnership between the company and the people of Edo State.

"By 2015, after investing over $1 billion, the first line of the Obu Cement Plant was operational, and it quickly became one of Africa's most advanced cement facilities.

"Since then, the company's financial fortunes have mirrored its operational growth. In 2019, BUA Cement consolidated its operations by merging its subsidiaries, including the Cement Company of Northern Nigeria (CCNN) and Obu Cement Company.

"The merger streamlined operations and positioned BUA Cement as Nigeria's second-largest cement producer, with a market share rivalling industry leader Dangote Cement," BUA Cement stated.

Continuing its growth trajectory, BUA Cement reached another milestone in January 2020 with its listing on the Nigerian Exchange Group (NGX), instantly becoming one of the most valuable companies on the exchange with an initial market capitalisation of N1.18 trillion.

This listing not only represented a momentous accomplishment for the company, but also unlocked a world of opportunities for capital-raising, enabling BUA Cement to finance its expansion plans and enhance the stability of its balance sheet.

Boosted by a surge in demand from Nigeria's flourishing construction sector and increased production capabilities, BUA Cement reported record-breaking revenues exceeding N300 billion in the most recent fiscal year.

BUA Cement also stated that while its financial success is undoubtedly commendable, its contributions to Edo State's economy extend far beyond the confines of its corporate earnings. As one of the largest taxpayers in the state, the company significantly contributes to Edo's internally generated revenue (IGR), playing a vital role in supporting the state's economic development initiatives.

The Company added, "for the people of Okpella and Edo State, it has meant jobs, empowerment, and a sense of belonging. Currently, over 2,000 people are directly employed by the company, with thousands more benefiting indirectly."

With Nigeria's infrastructure requirements growing, BUA Cement has recognised its increasing significance as a key player in meeting these demands. Thus, the company has set ambitious plans to ramp up its production capacity to 20 million metric tonnes per annum by 2027, a strategic move that will create more employment opportunities and stimulate economic growth in the region.

"We see Edo State as a partner, not just a location for our business. Our investment here is long-term. We want to grow together, to ensure that our success translates to prosperity for everyone, government, communities, and businesses alike," the company stated.

NACCIMA proposes corporate taxes reduction to 19%, VAT at 7.5% to boost revenue

Onome Amuge

THE NIGERIAN ASSOCIATION of Chambers of Commerce, Industry, Mines, and Agriculture (NACCIMA), has proposed a reduction in corporate taxes to 19 percent and Value-Added Tax (VAT) to 7.5 percent, as a means to spur economic growth and boost government revenue.

Dele Oye, the NACCIMA President put forward the suggestion to cut corporate taxes in a statement titled "Options for Economic Reform and Consequences for The Medium-Term Expenditure Framework for 2025-2027."

Resident companies in Nigeria are liable for corporate income tax (CIT) on their global earnings, while non-resident companies are required to pay CIT on their income generated in Nigeria.

According to current tax regulations, large companies, defined as those with a gross turnover surpassing 100 million naira, are subject to a CIT rate of 30 percent, calculated based on profits for the accounting year preceding assessment.

This taxation regime is governed by a preceding year basis, meaning that the tax is levied on profits earned in the accounting year preceding the assessment year.

L-R : Olalekan Abdulsalam, clerk, House of Representatives Committee on Environment,; chairman of the Committee, Julius Pondi, and the deputy chairman of the committee, \ Terseer Ugbor, during the budget defence by the minister of Environment, at the National Assembly Complex in Abuja,recently.

Non-resident companies providing professional, consultancy, management, or technical (PCMT) services to Nigerian residents are liable to pay tax at a final rate of 10 percent, subject to certain conditions.

This tax obligation, outlined in Nigeria's tax legislation, applies if the non-resident company has a significant economic presence (SEP) in Nigeria, defined as the receipt of any income or payment from a Nigerian resident, or a fixed base or agent of a foreign entity located in Nigeria, during the accounting year.

The tax regulations in Nigeria stipulate that non-resident companies providing PCMT services in the country, with a significant economic presence, must register for CIT (Corporate Income Tax) and file their tax returns.

Importantly, any withholding tax (WHT) deducted from their Nigeria-sourced income can be offset against their CIT liability, with the exception of PCMT service providers, for whom the WHT at 10 percent is treated as final tax.

According to the regulations, companies with a gross turnover of 25 million naira or less are subject to a CIT rate of 0 percent, while companies with a gross turnover greater than 25 million naira are liable for a CIT rate of 20 percent.

"We believe corporate taxes should be further reduced to 19 percent and VAT pegged at 7.5 percent. We believe this will grow the economy and result in higher tax revenues for the government.

As a caveat to protect government revenues, each taxpayer must not pay less than the preceding tax year," Oye stated.

According to the NACCIMA president, the current disconnect between federal and state governments had manifested in public disagreements over revenue sharing. He said these engagements often played out in the media, overlooking the fundamental interests of taxpayers and the public.

Oye called for greater participation of the private sector in tax reform dialogues, emphasising the need to address the unique needs of sectors like telecommunications that are major contributors to government revenue.

He also acknowledged the importance of engaging in open dialogue between the private sector and government, with both sides making concessions to enable reforms that will enhance tax revenue while promoting growth.

Oye further emphasised the need for clear and transparent written communication with key stakeholders such as aviation, telecommunications, manufacturers, Free Trade Zones, and others.

He noted that lectures from government committees did not yield the desired outcomes, underscoring the importance of engaging in two-way dialogue to address the specific concerns of these sectors and identify mutually beneficial solutions.

Dangote refinery seen as key driver of manufacturing growth in 2025

Onome Amuge

THE DANGOTE REFINERY is expected to drive material growth in the manufacturing sector, providing relief for an industry that has been confronted with multiple economic challenges, according to a report by Lagos-based research and investment firm, CardinalStone.

In its 2025 outlook, CardinalStone noted that the 650,000-barrel-per-day facility is projected to bring stability to the exchange rate, setting the stage for the Central Bank of Nigeria (CBN) to initiate an easing cycle that would, in turn, create a more favorable environment for the manufacturing sector to thrive this year.

The report stated: "In 2025, we expect the sector to experience material growth, aided by the operation of the Dangote Refinery (which boosted effective refining capacity from near zero to 650,000 barrels of crude oil per day before the rejig of the old Port Harcourt Refinery in November 2024), relative stability of the FX market, and a possible rate cut by the CBN." Nigeria's manufacturing sector remains vulnerable to the prevailing economic conditions, as evidenced by the recent monetary policy reforms which have created exchange rate and interest rate pressures, adding to the challenges of inflationary pressures that have led to reduced consumer spending and a buildup of unsold inventories.

According to the Manufacturers Association of Nigeria (MAN), unsold products worth N1.24 trillion had accumulated in warehouses during the first half of 2024, representing a 357.57 percent increase compared to the same period last year.

MAN revealed that consumer spending in the country has been suppressed due to three primary factors, including rising prices, the removal of fuel subsidies, and the naira's depreciation.

This has led to a reduction in demand for manufactured products, as evidenced by 65 percent of the listed manufacturing companies on the NGX reporting foreign exchange (FX) losses in the first half of 2024.

Presco Plc to raise record N100bn bond to boost operations

Onome Amuge

PRESCO PLC, one of Nigeria's top palm oil manufacturers, is poised to embark on a groundbreaking N100 billion bond issuance in Series 1 of its ambitious N150 billion bond programme.

With a 7-year term and a yield range of 23.25 percent to 23.75 percent, the bond offering is set to be the largest corporate bond issuance in the palm oil industry, leveraging Presco Plc's robust credit profile and impressive ratings of Aa from Agusto & Co. and A- from GCR.

Continuing its growth trajectory, Presco Plc is making its second appearance in the capital market with a N100 billion bond issuance, building on the success of its 2022 Series 1 N50 billion issuance programme, which garnered N34.5 billion. That issuance was also a 7-year bond, carrying a coupon rate of 12.85 percent.

Presco Plc decision to raise N100 billion is considered a renewed confidence in Nigeria's capital markets.

This strategic move has the potential to positively influence corporate sentiment toward the capital markets, especially after 2024, when many corporations hesitated to tap into the market due to the high yields required to remain competitive.

Presco's solid fundamentals for 2024 also positions the company as a standout player in Nigeria's corporate landscape.

With one of the highest returns on equity in the country in 2024 and a projected triple-digit growth in net profit, Presco is seen to be on a trajectory of robust financial performance, further reinforcing its appeal to institutional and individual investors.

MABA partners DGC Express to strengthen African export markets

Onome Amuge

THE MADE IN AFRICA BRAND AMBASSADOR (MABA) has teamed up with Denca Global Courier Services Ltd. (DGC Express) in a bid to boost the visibility and global reach of African-made products.

MABA, in a statement, underscored the partnership's goal of fostering a robust export ecosystem, providing African businesses with the tools and infrastructure necessary to penetrate global markets and drive economic growth across the continent.

The partnership, unveiled in Lagos, brings together MABA's expertise in promoting Made-in-Africa products and DGC Express's logistics and export consulting capabilities.

The two organisations will focus on showcasing African innovation and quality while addressing key challenges such as logistics, market access, and customs procedures.

Flora Mbeledeogu, MABA chief executive officer, commended the initiative, stating, "This partnership marks a significant milestone in our efforts to promote African products and businesses globally. By leveraging DGC Express's logistics network, we can enhance the reach of African products, ensuring they are globally competitive."

As part of the agreement, DGC Express, which is both a licensed customs clearing agent and the operator of an export processing terminal approved by the Nigerian Ports Authority, will offer subsidised shipping and packaging services to MABA-led initiatives and its members, providing critical support for African businesses.

Queen Okpa, the CEO of DGC Express, described the partnership as transformative. "We are proud to collaborate with MABA in this effort. Together, we aim to provide African businesses with the tools and support they need to succeed on the international stage," she remarked.

The partnership between MABA and DGC Express is expected to extend beyond streamlined logistics and customs support, with the duo organising international exhibitions, trade shows, and export-focused events to showcase the diverse and innovative products made across Africa.

According to MABA, the initiative will be headquartered in Nigeria and aims to enhance global visibility for African-made goods, driving increased demand and international recognition while stimulating economic growth throughout the continent.

Energy giants National Oil Corporation, Eni, others to drive Libya's upstream transformation at Summit

Bamidele Famoofo

LIBYA'S TOP INTERNATIONAL OPERATORS and the National Oil Corporation (NOC) will take centre stage at the Libya Energy & Economic Summit in Tripoli this week for the panel Unlocking Libya: The Next Frontier for Exploration and Investment.

The panel will spotlight strategies for driving new exploration, overcoming investment barriers and fostering sector growth, while sharing insights into the opportunities and challenges in this resource-rich yet underexplored market. Farhat Bengdara, Chairman of the NOC, will deliver a keynote address before the panel, followed by featured speakers like National Oil Corporation (NOC), Luca Vignati, Upstream Director – Eni, Berislav Gašo, Member of the Executive Board and Executive Vice President, Energy Division – OMV, Francisco Gea, EMD Exploration & Production – Repsol, and Julien Pouget, Senior Vice President, Middle East and North Africa – TotalEnergies.

As the steward of Libya's hydrocarbon resources, the NOC plays a vital role in driving the country's energy ambitions by fostering partnerships with international operators and strengthening Libya's position on the global and regional energy stage. The NOC is rolling out 45 greenfield and brownfield projects across the oil and gas value chain, with plans to revamp infrastructure and reach a production target of 2 million barrels per day. Additionally, the NOC is set to launch a licensing round in Q1 2025 to attract new upstream investment in onshore and offshore exploration blocks and is expected to discuss its strategic initiatives and role in shaping Libya's energy future at the upcoming summit.

L-R: Shola Olorunmuyiwa, group company secretary; Adenike Ajobo, managing director; Adetola Emmanuelking, chairman/CEO, Adron Group; Olori Aderonke Emmanuelking, vice chairman/group executive director, and Aminat Haastrup, director general, customer services, at the unveiling of Adron Homes' new logo, marking its global expansion plans, in Lagos, recently.

The Libya Energy & Economic Summit is set to take place in Tripoli on January 18-19, 2025. The event will bring together industry leaders, investors and policymakers, aiming to foster dialogue, secure investments and support the growth of Libya's energy and infrastructure sectors.

Eni continues to lead exploration and production efforts in Libya, in strategic partnership with the NOC. Recently, it resumed onshore exploration with the A1-96/3 well in the Ghadames Basin and ongoing activities in Area B. Eni's $8 billion Structures A&E Project, set to produce 750 million cubic feet per day by 2026, will play a critical role in meeting domestic energy needs and supporting Libya's economic diversification goals. At LEES 2025, Eni will discuss how its projects contribute to Libya's energy growth and the broader regional market.

OMV remains a key player in Libya's upstream sector, recently resuming exploration activities in the Sirte Basin with the drilling of the Essar well in the C103 license. The company is advancing plans to drill another well using an infrastructure-led approach and is partnering in the Murzuq Basin to expand its footprint. OMV will highlight these initiatives at LEES 2025, emphasizing its ongoing dedication to driving exploration and boosting investment in Libya's hydrocarbon sector.

Repsol's extensive experience in upstream oil and gas operations has solidified its position as a key partner in Libya. The company is expanding its exploration footprint, planning to drill nine wells by November 2025, with ongoing activities in contract blocks NC115 and NC186. Repsol aims to achieve 350,000 barrels per day by the end of 2025, maximizing resource potential in key concessions. At LEES 2025, Repsol will showcase its contributions to Libya's energy sector growth and its collaborative efforts to unlock the country's oil and gas potential.

TotalEnergies continues to lead Libya's energy sector growth, contributing around half of the country's oil production. At the Waha fields, the company has focused on reducing gas flaring and methane emissions while advancing frontier exploration. Additionally, TotalEnergies is driving Libya's renewable energy future with a 500 MW solar PV project in partnership with the Renewable Energy Authority. The French major is expected to highlight its integrated approach to energy development, showcasing how its projects are helping unlock Libya's potential and contribute to long-term energy security.

Dangote ups crude storage by 6.29m barrels to curb import reliance

Onome Amuge

DANGOTE PETROLEUM Refinery, Africa's largest oil refinery, is taking decisive steps to address issues related to unreliable local crude oil supplies by expanding its crude storage capacity with an additional 6.29 million barrels, or one billion litres.

The company has initiated the construction of eight new storage tanks, with four already nearing completion.

In its ongoing efforts to meet both domestic and international fuel demands, the $20 billion Dangote Petroleum Refinery is now ramping up its capacity by increasing its crude storage capacity by 41.67 percent.

This expansion follows the refinery's commencement of diesel and aviation fuel production in January 2024 and petrol production in September of the same year.

The additional 1 billion litres of storage will bring the refinery's total crude storage capacity to 3.4 billion litres.

Confirming the expansion plans, Devakumar Edwin, vice president of oil and gas business at Dangote Industries, cited the shortage of local crude oil as a driving factor for the increased storage capacity.

Edwin explained that in light of the volatile supply chain and fluctuating availability of local crude oil, the refinery's management decided to take proactive measures by increasing its storage capacity, enabling it to maintain stable operations and meet both domestic and international demands for refined products.

"Importing crude from other countries instead of buying locally means that our crude stockpiles will have to be higher.

"So we have started building eight additional crude tanks to hold a billion litres, over and above our original storage capacity. Four of them are nearing completion," he stated.

Currently, the refinery operates 20 crude storage tanks, each with a capacity of 120 million litres.

Equipped with an expansive network of refined product tanks with a combined capacity of 2.34 billion litres, Dangote Petroleum Refinery is considered well-positioned to cater to the domestic market's needs, as well as export refined products to multiple countries.

Market pricing distorted by petroleum supply imbalances- Report

Onome Amuge

THE UNSTEADY NATURE of the retail price of petroleum which has been observed to fluctuate between N1,000 and N980 per litre in various locations across Nigeria, reflects the challenges faced by the country in striking an equilibrium between the supply and demand of fuel within its borders.

This volatility in the price of petrol is symptomatic of the dynamics at play in Nigeria's petroleum sector, with factors such as variable crude oil supply, insufficient refining capacity, and patterns of domestic consumption all contributing to the ebb and flow of product availability and pricing.

Nigeria, widely recognized as Africa's largest oil producer, currently offers petrol at a rate of $0.769 per liter, according to a recent report by GlobalPetrolPrices.com.

Despite the nation's position as a major oil exporter on the continent, the domestic fuel prices are susceptible to the volatility of global oil prices, fluctuations in governmental policies, and the dynamics of the local economy.

While the price of petrol in Nigeria may appear relatively low compared to international benchmarks, the report noted that it is indicative of the difficulties that the country faces in addressing the intersection of supply and demand within its borders.

Fuel prices across the African continent in 2025 reflect a varied energy landscape shaped by the unique attributes of individual countries, such as the extent of domestic oil production, subsidies, and import dependence.

Countries like Libya and Angola, which boast vast oil reserves, are able to maintain low fuel prices for their citizens, while nations such as Ethiopia and Liberia, whose fuel supplies are largely reliant on imports, must contend with higher costs.

The report took a closer look at fuel prices in Africa, uncovering the ten countries with the lowest fuel prices at the onset of 2025.

Analysing price trends across various countries, particularly in Africa, the report found that nations with abundant crude oil reserves often enjoy comparatively lower prices for petroleum products.

Holding steady at the top of Africa's fuel price rankings, Libya boasts a fuel price of just $0.030 per litre.

The nation's abundant oil reserves, which play a significant role in Libya's economy, are largely responsible for this exceptionally low price point, the report stated.

As a result, Libya's oil-rich status has allowed the country to provide its citizens with some of the most affordable fuel prices in the region, offering a clear advantage in terms of economic competitiveness and consumer purchasing power.

Sitting at the second spot on Africa's fuel price rankings, Angola offers fuel at a cost of $0.328 per litre.

As one of the continent's leading oil producers, Angola holds a significant position in the global oil market.

The country's heavy reliance on oil exports ensures a steady stream of revenue, which, in turn, helps sustain relatively low domestic fuel prices.

Egypt continues to maintain affordable fuel prices, currently pegged at $0.336 per liter.

Over the past few years, the nation has attracted considerable investment in its oil and gas sector, driving growth and development within the industry.

Fuel prices in Algeria are also highly competitive, with a cost of $0.339 per litre. Algeria's abundant oil and gas reserves have had a significant impact on the nation's fuel prices, enabling the government to maintain relatively low costs for its citizens.

Sudan offers its citizens fuel at $0.700 per litre, positioning the country as a highly competitive market in Africa's fuel landscape.

Despite facing economic challenges in other areas, Sudan's domestic oil production has had a positive impact on the affordability of fuel within the nation's borders.

However, the country's oil production has been subject to fluctuation over the years, with external factors such as changes in global oil prices and political instability affecting the availability of fuel and resulting prices for consumers.

In Tunisia, fuel is priced at $0.794 per litre, placing the North African nation in the ranks of the top 10 African countries with the cheapest fuel.

According to the report, despite having relatively limited domestic oil production, Tunisia's proximity to regional markets and the stabilising effect of government subsidies have helped keep fuel prices relatively low.

Ethiopia was also featured on the list with fuel prices of $0.805 per litre,

Liberia's fuel price, according to the report, sits at $0.829 per litre, ranking it among the African countries with the lowest fuel prices.

Nigeria explores technology for safety, efficiency of its airports

- As Keyamo visits HOG Technologies in US
- Plans acquire de-rubberization equipment

Sade Williams/Business a.m.

NIGERIA IS EXPLORING GLOBALLY opportunities to acquire cutting-edge technological solutions to bolster safety, operational efficiency and sustainability across its airports, it has emerged.

Festus Keyamo, the country's minister of aviation and aerospace development, on a recent working visit to the United States met officials of HOG Technologies, a global leader in runway de-rubberization equipment, at their headquarters in Stuart, Florida to explore their cutting-edge technological solutions.

Keyamo expressed interest in the possible acquisition of de-rubberization equipment for major Nigerian airports to improve safety of runway operations.

He also revealed that there will be a launch of a pilot project at a high-traffic airport and also collaboration to train Nigerian technical teams.

Tunde Moshood, special adviser on media and communications to the minister, in a statement, said Keyamo visited HOG Technologies with Adedayo Bankole, managing director and chief executive officer of Barnksforte Group Limited, and Bishop Adejube, chief executive officer of International Trade Exchange LLC, representatives of HOG Technologies in Nigeria and Africa, and that they were received by James Crocker, founder and chief executive officer of HOG Technologies, and Matt Butcher, its vice president of global sales.

Festus Keyamo (right), minister of aviation and aerospace development; and James Crocker, founder and chief executive officer of HOG Technologies, during the visit to the US

Keyamo and his team observed a live demonstration of HOG Technologies' state-of-the-art runway de-rubberization equipment, which allowed the minister an insight into the innovative technologies that could address Nigeria's aviation challenges.

Crocker emphasised the suitability of HOG Technologies' solutions for Nigeria's high-traffic and regional airports, highlighting the equipment's efficiency and sustainability.

HOG Technologies also revealed plans to establish a regional training and support center in Nigeria to foster capacity building and technology transfer.

Speaking after the visit, Keyamo expressed optimism about the potential of the partnership.

"This visit marks a pivotal step in our mission to elevate Nigeria's aviation standards. The insights and opportunities gained during this engagement lay the foundation for transformative advancements in safety, efficiency, and sustainability," the statement quoted the minister as saying.

The statement noted that this collaboration with HOG Technologies aligns with the Federal Ministry of Aviation and Aerospace Development's vision to modernize infrastructure, adopt global best practices, and ensure Nigeria's aviation sector remains a key driver of economic growth and sustainability.

Stakeholders submit verdict on Najomo's one year in charge of NCAA

Sade Williams/Business a.m.

IN THE LAST ONE YEAR, THE NIGERIA CIVIL AVIATION AUTHORITY (NCAA) has been in the news not for any other reason but for its positive impact on the aviation industry.

However, in evaluating the acting director general, NCAA, Chris Najomo's overall efforts and strategies employed over the course of the year in repositioning the regulatory authority, it is important to note that, according to the federal government, the change in leadership in December 2023 was to enhance regulatory oversight, the well-being of passengers and stakeholders in the Nigerian aviation industry.

Plaudits have now been coming the way of acting DG Najomo as stakeholders say his reforms in the authority have repositioned the sector.

From the reinvigoration and strengthening of the Directorate of Public Affairs and Consumer Protection, to the transformation of the workplace climate through enhanced collaboration amongst the management team, as well as between the workers' body and top management, his one year tenure has become a topic for discussion among stakeholders.

Also, Najomo's open-door policy and regular engagement with the NCAA unions to ensure peace and stability in the workforce is unprecedented, leading to industrial harmony at the agency.

Comrade Akanbi Adimula, spokesman, African Aviation Renaissance Group Civil Aviation Master Plan (CAMP), once praised the commencement of preparation of the CAMP assisted by the International Civil Aviation Organisation (ICAO) under Najomo's appointment.

Chris Najomo, acting director general, NCAA

Adimula noted that for the first time, the NCAA helmsman created a Project Monitoring and Contract Evaluation Unit (PMCEU) to ensure probity and transparency in the execution of NCAA's projects.

He also commended the creation of the Quality Assurance department to promote compliance with technical and non-technical policies and procedures within the NCAA.

He was also quick to point out a complete re-evaluation of all holders of permit for non-commercial flight (PNCF) and the creation of a dedicated unit for the Remotely Piloted Aircraft Systems (RPAS) to drive the growth of the Drone/Remotely Piloted Aircrafts (RPAS) industry in Nigeria.

"This has liberalized and simplified for Nigerians, the registration and usage of the UAVs. He instituted a simplified certification process as a derivative of the ease-of-doing business policy of the Najomo administration. Digitisation of the regulatory authority processes through the deployment of EMPIC-EAP as the regulatory software for selected modules.Training for super-users has been done in April, 2024 and the system has commenced operation in phases. This has placed the Nigeria CAA at par with its counterpart in the advanced world," Adimula said.

Comrade Aderemi Aderinkomi, chapter chairman, Air Transport Services Senior Staff Association (ATSSSAN) NCAA Chapter, said the association did not take for granted, "the Ag DGCA sheer audacity to make a difference and his passion in recognising aviation staff as a critical factor in ensuring safety, security, regularity and development of Civil Aviation in Nigeria as worthy of commendation by all Nigerians".

Aderinkomi described the Ag DGCA as visionary, saying: "We celebrate the passion, resilience and a purpose-driven focus to reengineer and reposition the NCAA towards truly fulfilling its mandate and vision as one of the leading CAAs in the world".

Adding his voice, Michael Achimugu, director, public affairs and consumer protection, NCAA, said the Ease of Doing Business without compromising standards mantra Najomo has executed in the NCAA in just one year as acting director-general has caused immeasurable impact.

While praising the milestones the acting director-general has achieved, under one year, Achimugu said: "I am an apostle of praising people while they are still alive to enjoy applause for their good work.

Kana, Aviation Ministry perm sec, promises support on visit to NiMet

Sade Williams/Business a.m.

IBRAHIM ABUBAKAR Kana, permanent secretary of the Ministry of Aviation and Aerospace Development, visiting the Nigeria Meteorological Agency (NiMet), on Friday, has promised government support to the agency, amid his satisfaction with the working relationship between NiMet and other government agencies.

Charles Anosike, a professor, director general and chief executive officer of NiMet, welcoming the permanent secretary, briefed him on the operations of the agency and its relationship with the World Meteorological Organisation (WMO) of which it is a member and the NiMet CEO the permanent representative of Nigeria at WMO.

"We have strong relationships with the Federal Ministry of Agriculture, the Ministry of Environment, the Ministry of Blue Economy, and other MDAs who rely on our weather forecast for various operations," Anosike explained.

Ibrahim Abubakar Kana, in his response, expressed appreciation for the services NiMet is rendering towards the socio-economic development of the nation.

He praised Anosike, the management team, and the staff of NiMet for their hard work and encouraged them to do more.

"I appreciate the strong relationship existing between NiMet and other government ministries and agencies. I call for even stronger and better relationships between the heads of the agencies. I will work with the honourable minister of aviation and aerospace development, Mr. Festus Keyamo, to see that NiMet receives more government support," he promised.

As part of the visit, the NiMet chief executive took the visiting permanent secretary on a tour of facilities in the agency including the new digital weather broadcasting studio.

Ibrahim Abubakar Kana (left), permanent secretary, Ministry of Aviation and Aerospace Development; and Charles Anosike, professor and director-general/CEO, Nigeria Meteorological Agency (NiMet), during the former's visit to NiMet on Friday

The Airport Customer Experience

Aviation cybersecurity should leave no nation behind

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 INTERNATIONAL CIVIL AVIATION ORGANISATION (ICAO), a United Nations agency that promotes the safe and orderly development of international civil aviation, issued a statement that it is "actively investigating reports of a potential information security incident" that may have impacted tens of thousands of users' data, such as names, addresses, and other personal information. This was because of a claim that tens of thousands of its records had been stolen. The potential security breach, it said, was possibly tied to "a threat actor known for targeting international organisations."

It went on to confirm that the reported information security incident involves approximately 42,000 recruitment application data records from April 2016 to July 2024 claimed to be released by a threat actor. The compromised data, it said, includes recruitment related information that applicants entered into the organisation's system, such as names, email addresses, dates of birth, and employment history. ICAO also stated that the affected data does not include financial information, passwords, passport details, or any documents uploaded by applicants.

The global body stated further: "We can confirm that this incident is limited to the recruitment database and does not affect any systems related to aviation safety or security operations." Also, it said: "Our investigation and response efforts continue, and we have implemented additional security measures to protect our systems. We are also working to identify and notify affected individuals."

ICAO also informed the public that it takes the privacy and security of personal information extremely seriously and has committed to providing further updates as their investigation progresses.

Data breaches can have serious consequences for airports, compromising sensitive information such as passenger data, flight schedules, and security protocols. Stolen personal and financial information can lead to identity theft and financial fraud. Breaches can compromise critical systems, such as air traffic control, baggage handling, and security screening and as a result disrupt airport operation. Airports may face reputational damage, loss of customer trust, and potential financial losses due to data breaches.

In containing these breaches airports will do well to employ robust security protocols, such as encryption, firewalls, and access controls, to protect sensitive data. Conduct regular security audits to identify vulnerabilities and weaknesses in airport systems. Develop incident response plans to quickly respond to data breaches and minimize damage. Train employees regularly on data security best practices to prevent human error.

Other best practices would include, in the event of a breach, that airports should notify affected parties, such as passengers and partners, in a timely and transparent manner. Airports should work closely with law enforcement and regulatory authorities to investigate and respond to data breaches. They should also implement data loss prevention tools to detect and prevent unauthorised data transfers. Airports should regularly update software and systems to ensure they have the latest security patches and updates. The use of pirated software should be discouraged while at the same time upskilling the employees in the Information Technology department. The work of contractors and third parties who may have access to the systems of the airport should not be left unchecked.

By taking proactive measures to prevent data breaches and having effective incident response plans in place, airports can minimise the risks associated with data breaches and protect sensitive information. Cybersecurity capability is therefore an imperative not just for the airports in the developed world, but indeed for all airports and aviation globally, for which no nation should be left behind.

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Assessing Farouk's NAMA leadership impact one year after

UMAR IBN ABDULYEKEEN

Umar Farouk, an engineer and the managing director of the Nigerian Airspace Management Agency (NAMA), has shown exemplary leadership in just 12 months in office.

A GET-TOGETHER RECENTLY held at the Obudu Gardens of the Abuja Continental Hotel with the theme "Staff Recognition Dinner for Impactful Leadership and Team Excellence", organised to reward hard work and diligence, by the management of NAMA actually attested to the positive changes at the agency.

Looking at NAMA's achievements over the past one year, it is self-evident that the agency has excelled in the following areas under the leadership of Farouk.

To begin with, there is more confidence in the industry now, as safety has been improved. With Farouk at the helm of affairs, there has been a remarkable reduction in Air Safety Reports, achieved through strict adherence to ICAO Standards and Recommended Practices, showcasing enhanced operational safety and efficiency.

The refurbishment of some of the Control Towers in seven major airports, including Owerri, Sokoto, and Ibadan, with plans underway to extend the effort to six more airports, is a big deal in NAMA.

The NAMA boss has also encouraged capacity building through investment in local and international training programmes for air traffic controllers, engineers, and other personnel to align with global best practices. Under his management, in terms of power supply, NAMA also succeeded in upgrading to solar-powered systems, reducing operational costs and ensuring reliable energy supply to critical facilities.

Farouk has equally done well in staff welfare by clearing of outstanding allowances and implementation of measures to ensure timely payment of staff dues and entitlements.

In a bid to enhance the safety and security of the nation's airspace, the Nigerian Airspace Management Agency (NAMA) has embarked on the upgrade of its surveillance infrastructure across the nation's airports and other remote installations across the country.

Only recently, the International Organisation for Standardization (ISO) approved the elevation of the Nigerian Airspace Management Agency (NAMA) to its certification category of ISO 9001:2015. The agency attained the certification recently after undergoing a strenuous certification audit by representatives of ISO and coming out successful based on the listed clauses.

Commending the achievements of Farouk in just one year in office, presidents of professional associations in NAMA said the one year in office of the current managing director, Umar Farouk, has witnessed massive transformation in the agency.

Speaking on the assessment of the Farouk administration, the presidents noted that workers of the agency can heave a sigh of relief as they were now being carried along with the pace of development.

Ibrahim Audu, the president of the Aeronautical Information Management Association of Nigeria (AIMAN), said the recent achievement of the ISO 9001 of 2015 certification by NAMA was one of the great things that had ever happened to the agency with tremendous significance in the industry.

According to Audu, it showed how acceptable the quality of products offered and professionals in NAMA were made of, adding that the MD as an engineer has followed strictly the ICAO standards in order to raise the bar in the agency.

Audu remarked that within one year, Farouk was able to implement the agency's approved Condition of Service, trained and retrained a lot of professionals and other staff of the agency. "In terms of international courses, the managing director did not leave any stone unturned to ensure that every professional staff in the agency is well trained and he is achieving that.

Umar Farouk, managing director, NAMA

"Today, every worker is happy, receiving arrears from the condition of service as their morale has been boosted by the managing director of NAMA," Audu said.

He noted that staff welfare had never been toyed with as it remained paramount in the administration of the NAMA boss.

Also speaking on the achievement of Farouk, Selzing Miri, the president of the National Association of Air Traffic Engineers (NAAE), commended the NAMA boss for the manner and way the issue of workers welfare was handled.

Miri also noted that he has performed well in the area of training, saying that NAMA will be an enviable organisation to the world should he continue the way he has piloted the affairs of the organisation.

Miri however remarked that the burden on the agency arising from the revenue deduction was enormous but expressed hope that when given adequate funds, the NAMA boss will excel, judging by what he achieved in one year.

On his part, Mohammed Sani, the president of National Association of Air Traffic Communicators of Nigeria (NACAN), said in the past one year of Farouk, there was no tension, in-house fighting between unions and the agencies as he has brought everyone together to foster unity and development.

Sani said the welfare of workers has been improved upon as workers were happy with the management as they were being carried along without discrimination, noting that relationships with the unions have improved.

According to Sani, for the first time in the history of NAMA, three courses for the communications department were going on in the college of Aviation in Zaria. He commended the Farouk led team for encouraging local and international training even with the little resources available.

Perm Sec commends NAMA for vital role in aviation safety

Sade Williams/Business a.m.

IBRAHIM ABUBAKAR KANA, the newly appointed permanent secretary of the Ministry of Aviation and Aerospace Development has commended the critical role played by the Nigerian Airspace Management Agency (NAMA) in ensuring the safety and efficiency of air navigation in the country describing it as "very strategic and pivotal in the nation's economic development," even as he eulogised the staff of the agency for their teamwork, dedication and commitment towards achieving organisational objectives, saying that their collective performance was exemplary and deserving of emulation.

He charged staff of the agency to remain committed to teamwork, emphasizing its role in achieving collective goals.

"Teamwork is the foundation of success, and your dedication will continue to propel NAMA to greater heights," he stated.

Kana, who made these remarks during a working tour of the agency's corporate headquarters in Abuja, noted NAMA's vision to be a leading air navigation service provider in the world aligned with the minister of aviation and aerospace development, Festus Keyamo's strategic goals for the aviation sector, which were also in

Continues on page 29

Business a.m.

Vietnam's Noi Bài beats Singapore's Changi as world's best airport in 2024

A COMPREHENSIVE STUDY by Business-Financing.co.uk of the best and worst airports in the world based on the views of business travellers has named Vietnam's Noi Bài International Airport in Hanoi, the capital of the country as the best airport in 2024, beating Singapore Changi Airport, which is often widely talked about for the splendid experiences it offers travellers.

It also beat Hong Kong International Airport which came third. While Noi Bài International Airport scored 6.80 points out of 10, Singapore Changi Airport scored 6.63 points and Hong Kong International Airport scored 6.48 points.

Per a report in StarInsider, while business class offers high-ranking services and amenities in the skies, airports themselves can be daunting environments with various entities managing them and catering to a diverse clientele. As travel hubs, the airports are known to very often prioritise functionality over comfort and the study help to shed light on airport experiences.

Surprisingly and not so surprisingly, no African airport appears on the list of the best 15 and worst 15 airports in the world in 2024, the study showed.

15. Zurich Airport
Location: Zurich, Switzerland
Average rating out of 10: 4.57

14. Indira Gandhi International Airport
Location: New Delhi, India
Average rating out of 10: 4.60

13. Larnaca International Airport
Location: Larnaca, Cyprus
Average rating out of 10: 4.85

12. Athens International Airport Eleftherios Venizelos
Location: Athens, Greece
Average rating out of 10: 5.06

11. Budapest Ferenc Liszt International Airport
Location: Budapest, Hungary
Average rating out of 10: 5.10

10. Chhatrapati Shivaji Maharaj International Airport
Location: Mumbai, India
Average rating out of 10: 5.22

9. Taiwan Taoyuan International Airport
Location: Taoyuan City, Taiwan
Average rating out of 10: 5.29

8. Kempegowda International Airport
Location: Karnataka, India
Average rating out of 10: 5.56

7. Haneda Airport
Location: Tokyo, Japan
Average rating out of 10: 5.82

6. Narita International Airport
Location: Narita, Japan
Average rating out of 10: 6.23

5. Helsinki-Vantaa Airport
Location: Vantaa, Finland
Average rating out of 10: 6.36

4. Hamad International Airport
Location: Doha, Qatar
Average rating out of 10: 6.44

3. Hong Kong International Airport
Location: Chek Lap Kok, Hong Kong
Average rating out of 10: 6.48

2. Singapore Changi Airport
Location: Singapore
Average rating out of 10: 6.63

1. Noi Bài International Airport
Location: Hanoi, Vietnam
Average rating out of 10: 6.80

...Commends NAMA for...

Continued from page 28

sync with President Bola Ahmed Tinubu's mandate to elevate the aviation industry.

Acknowledging the challenges posed by the fluctuating dollar exchange rate, the permanent secretary reiterated the government's commitment to addressing funding challenges in the sector and pledged to collaborate with the minister to secure the necessary funding to support the agency's projects.

Earlier in his welcome address, Ahmed Umar Farouk, the managing director and chief executive of NAMA, expressed gratitude for the permanent secretary's visit, acknowledging the significance of him taking time to tour all the offices at the headquarters of the agency which he described as the "heart of the aviation industry," emphasizing that safety remains sacrosanct in NAMA's operations.

He highlighted some of the challenges facing the organisation to include funding for critical navigational infrastructure, stating that some of the agency's projects were currently 50 percent completed while efforts were being made to source for more funding.

Farouk however expressed confidence in the collaborative efforts of the permanent secretary and the minister of aviation and aerospace development to ensure the successful completion of these projects.

Farouk also revealed plans by the agency to commence work on the building of its corporate headquarters at the Nnamdi Azikiwe International airport, Abuja with the groundbreaking ceremony for the project to be performed by the minister.

Tariff Hike: Nigerians kick, demand quality service delivery from telcos

Stories by Joy Agwunobi

ACROSS NIGERIA, a wave of discontent is rising as telecom operators propose a 100 per cent increase in tariffs for calls and data subscriptions. Many subscribers argue that operators should prioritise fixing network issues and improving service quality before considering any tariff hikes.

They highlighted problems such as poor service delivery, inconsistent network coverage, and rapid data depletion as major frustrations. For a country deeply reliant on mobile networks for communication and business, these concerns have sparked widespread debates on the fairness of paying more for low-level services.

The proposed tariff hike, currently under review by the Nigerian Communications Commission (NCC), is seen by Mobile Network Operators (MNOs) as a necessary response to mounting operational costs. According to the telecom companies, factors such as rising inflation and the persistent devaluation of the naira have put pressure on their financial sustainability.

The operators argue that the industry's sustainability depends on such adjustments, but many Nigerians feel the move is not right and unjustified.

A look at the Federal Ministry of Communications, Innovation, and Digital Economy's official X page (@FMCIDENigeria) reveals numerous complaints from frustrated Nigerians. One user, @onyeajufeyi, stated "Please see that 9mobile works. No network coverage in Ogwashi-Ukwu Delta State for over a year and seven months."

Another user, @Strydizzle, lamented, "HM, there's a crisis right under your nose and you haven't made any statement regarding it. Mobile telecom networks like 9mobile and Airtel @AirtelNigeria have been extremely terrible. That of @AirtelNigeria is so bad that they're aware and they haven't communicated with customers."

Similarly, @ibrahimmuazu014 expressed dissatisfaction saying, "Sir, actually we are not happy with these service providers' especially MTN. Their data no dey last please do something."

Adding to the number of complaints, @messersEze noted, "Whoever is the regulator for the mobile networks is not doing the job at all. You can't make clear calls, browsing is an issue. 9mobile for instance has been out of connection for over 2 weeks, with no statement, It's unfair. Let these guys not make life tough."

L-R: Ini Ebong, deputy managing director, First Bank of Nigeria Limited; Kamal Mokdad, CEO, Banque Centrale Populaire; Amine Bouabid, CEO, Bank Of Africa Group; Roosevelt Ogbonna, managing director/CEO, Access Bank Plc and Ramah Nyang, CGTN/Bloomberg during the Africa Financial summit (AFIS) recently

In light of this, Sola Salako-Ajulo, founder and president of the Consumer Advocacy Foundation of Nigeria, recently voiced her concerns during a television interview, emphasising that any tariff hike must be contingent on significant improvements in service quality.

"Before we start talking about tariff increases, let's examine the quality of service consumers have been experiencing," Salako-Ajulo stated. She pointed out that Nigerians have long contended with dropped calls, poor data connections, and paying for services they often cannot use. "If the tariffs are increased without addressing these issues, it becomes double jeopardy for the average Nigerian consumer."

Salako-Ajulo stressed that while the rising cost of service provision in Nigeria is inevitable, the focus should be on accountability. "Even before the economic downturn, are Nigerians getting value for their money? That is the question we should answer first," she said.

She called on the Nigerian Communications Commission (NCC) to ensure that mechanisms are in place to safeguard consumer interests. According to her, the NCC should make it a priority to address quality of service issues before approving any tariff increases. "What is NCC doing to ensure that Nigerians are getting value for the money they pay?" she said, adding that service providers must be held accountable for service interruptions or lapses.

Salako-Ajulo further proposed a system to compensate consumers for downtime in telecom services. "If I have prepaid for a service and don't receive the full value, there should be a structure in place for automatic reimbursements. For instance, a system could measure downtime and calculate refunds proportionate to the hours of service lost," she said.

"Imagine a scenario where you've paid for 24-hour service but only received 20 hours. At the end of the billing period, the provider should reimburse you for the lost hours. If consumers know that when they pay and those services are not enjoyed they would be automatically reimbursed then we would be able to accommodate the need for tariff increase," Salako-Ajulo explained.

According to the consumer advocate, service providers must demonstrate good faith by ensuring uninterrupted services or providing compensation for service lapses. She highlighted that Nigerians expect guarantees that when they pay for 30 days of service, they should receive the full duration without interruptions. She further suggested that any days lost to system downtime should automatically qualify for reimbursements. The advocate noted that implementing such measures before proposing tariff increases would likely garner consumer acceptance.

Salako-Ajulo emphasised that the lack of accountability erodes consumer trust, stressing that efficiency and accountability should take priority. She pointed out that Nigerians are already struggling with rising costs in other areas of life and maintained that the primary concern is not tariff increases but ensuring that consumers receive value for the money they pay.

While acknowledging the financial pressures faced by telecom operators, Salako-Ajulo stressed that sustainability should not come at the expense of consumers. "Nigerians understand the importance of keeping the sector operational. However, they need guarantees that they are paying for quality services, not inefficiencies," she added.

Additionally, she suggested a phased approach to tariff hikes, linked to measurable improvements in service quality. Salako-Ajulo stressed that a 100 per cent increase would be excessive and even a 40 per cent hike might be too steep, given the financial challenges Nigerians are currently facing.

She proposed that any increase should be gradual and conditional with clear benchmarks for service improvement. According to her, tariff adjustments should only be implemented if service quality meets agreed standards, emphasising that a sudden and significant hike would be unfair to consumers.

Moment paves the way for simplified payments across Africa

AFRICA'S DYNAMIC BUSINESS landscape, teeming with opportunities, has long been hindered by fragmented payment systems, service disruptions, and economic challenges.

Despite these hurdles, Moment, a cutting-edge payment platform developed by MultiChoice in partnership with General Catalyst and Rapyd, is transforming the continent's financial ecosystem

Joel Yarbrough, CEO of Moment, and Craig Coetzer, MultiChoice Africa Group Executive Head of Delivery & Operations, emphasise that Africa's digital transformation is already underway. By 2050, the continent's population is expected to reach 2.5 billion people, many of whom are embracing digital technology to improve their lives, access education, send remittances, and create businesses. These shifts in technology adoption point to a massive opportunity for businesses to invest in human development and simplify financial processes.

For companies willing to streamline operations across the continent, one major opportunity lies in payments. With its complex and varied systems, Africa's financial landscape presents a unique challenge, but also a significant reward for those who can simplify, rationalise, and standardise payment processes.

MultiChoice, a leading pan-African video entertainment provider with nearly 40 years of experience and over 23.5 million customers across 50+ markets, recognised the potential of this challenge. The company partnered with global venture-capital firm General Catalyst and payments company Rapyd to launch Moment, a platform designed to provide Africa with the broadest and deepest payment network.

Launched in January 2024, Moment began processing payments for MultiChoice's subsidiaries, Showmax and DStv, and by November 2024, the platform was already handling around 35 per cent of MultiChoice's revenue, with those numbers rising rapidly. Moment's success has expanded into services for other enterprises, further growing its reach.

Operating in 44 African countries, Moment supports over 200 local payment methods, covering in-person payments across 1 million stores and agent locations, mobile money, debit and credit cards, bank transfers, and digital wallets. By offering a wide variety of payment channels, Moment enables consumers and businesses to transition from cash to digital systems, unlocking new financial opportunities, reducing prices, and improving access to high-quality goods and services across the continent.

To handle the massive scale of operations across multiple markets, Moment has developed a fully cloud-native infrastructure capable of managing high daily and weekly transaction volumes, while maintaining resilience in the face of challenges such as power cuts and network outages. The platform's robust financial reconciliation and settlement system simplifies daily financial operations for businesses, ensuring that enterprises can maintain efficient cash flow, fast financial reporting, and access to receivables.

Moment also provides its clients with access to the largest suite of mass-market payment channels available in Africa, allowing businesses to reach millions of consumers through over a million in-person locations, modern retail shops, and a variety of online payment options tailored to each local market.

This enables businesses to fully tap into the buying power of Africa's vast consumer base with a single API connection.

Furthermore, Moment is actively building a coalition around real-time payments, educating consumers on the benefits of systems like PayShap and other real-time payment methods. With DStv and Moment leading the way, PayShap payments were launched in South Africa as the first "consumer-to-business" real-time payment solution built on the country's Real-Time Payment (RPP) system. Moment has formed partnerships with similar systems in the SADC countries and Nigeria, aiming to expand real-time payments across the continent as the market evolves.

One of the key reasons MultiChoice ventured into the payments space was due to the complexity of multiple service agreements, commission rates, and exchange rates. The company recognised that simplifying the payments ecosystem would benefit everyone involved, and Moment is now positioned to provide the necessary technology to manage this complexity.

Moment's flexibility in adapting to the varying needs of local markets is one of its greatest strengths. For businesses operating in these markets, the platform offers immense potential to automate and streamline financial operations. Some enterprises currently manage extensive staff numbers, handling reconciliations manually. With Moment's technology, such processes can be simplified, allowing businesses to focus on their core operations and customer relationships.

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FG to decide on telecom tariff review in two weeks- Minister

Joy Agwunobi

THE FEDERAL GOVERNMENT OF Nigeria is set to make a critical decisive ruling on the proposed telecom tariff adjustment within the next two weeks. This decision comes amid intense negotiations between major telecom operators, including MTN Nigeria, Airtel, Globacom, and 9mobile, and government representatives.

The operators, citing surging operational costs driven by inflation and currency depreciation, have proposed a significant tariff increase. However, the government has insisted that any adjustment must prioritise consumer protection. This standoff raises an essential question of whether or not there be a compromise to ensure that connectivity remains both accessible and affordable for all Nigerians.

The telecom industry has been under severe financial pressure, with mobile network operators (MNOs) pushing for a tariff hike of up to 100 per cent. This increase, according to the operators, is necessary to offset skyrocketing costs tied to infrastructure maintenance, energy prices, and a weakening naira. Their proposal has sparked heated debates among Nigerians, many of whom are struggling under the weight of the country's harsh economic realities.

In a recent closed-door meeting with MNOs, government officials, and regulators, deliberations centred on finding a middle ground that ensures the telecom sector's sustainability and the potential impact of a tariff review.

Bosun Tijani, the minister of communications, innovation, and digital economy, acknowledged the challenges facing telecom operators but reiterated the government's commitment to safeguarding consumer interests. He explained that a study had been commissioned to explore how to sustain the telecom sector without imposing undue hardship on Nigerians.

"The work we've done is to commission a study that has helped us examine how to drive the sector's sustainability without inflicting serious pain on our people. Even where there's some pain, we are exploring ways to mitigate it so that it is less felt. That's what this is all about," Tijani stated, while also noting "tariffs will go up, but not by 100 per cent. That is the verdict."

Tijani stressed the importance of collaboration among stakeholders to ensure the telecom sector continues to thrive while remaining accessible to all Nigerians. "We need to put the right regulations in place to support the sector's growth, contribute to job creation, and enable other critical sectors of the economy. This conversation is about sustainability, growth, and consumer protection," he added.

Aminu Maida, the executive vice chairman of the Nigerian Communications Commission (NCC), highlighted the regulator's efforts to address public concerns about the quality of telecom services.

"We have heard the agitations from Nigerians for better quality service. As the regulator, we have put in place new instruments and revised our quality of service regulations to ensure compliance across the entire value chain," Maida explained.

He further noted that the discussions with industry stakeholders were not solely about tariff increases. "Today's discussions were more about the sustainability of the industry. Like the Minister said, we are not going to approve a 100 per cent tariff increase, but you should hear from us within the next week or two regarding the final decision," Maida added.

The proposal for a tariff hike has elicited mixed reactions among Nigerians, many consumers worry about the affordability of mobile services, particularly in a country where digital connectivity plays a critical role in economic activities, education, and daily communication.

While some consumers acknowledge the economic pressures faced by operators, others argue that any hike would worsen the financial strain on households already struggling with reduced purchasing power.

FG launches free AI academy to empower Nigerian youth

Joy Agwunobi

THE FEDERAL MINISTRY OF INNOVATION, Science and Technology, in collaboration with the Commonwealth Secretariat and Intel Corporation, has unveiled a free Artificial Intelligence (AI) academy designed to empower Nigerian youth with essential AI skills.

According to the ministry, the academy operated through the National Orientation Agency will offer participants free access to self-paced courses covering AI fundamentals, ethics, tools, and real-world applications. Beneficiaries will also have the chance to compete for AI ambassadorial roles and internships with Intel Corporation, providing them with valuable hands-on experience on a global scale.

In a statement, the ministry emphasized that the program seeks to prepare Nigerian youth for future jobs and leadership positions within the digital economy. It aims to enhance their global competitiveness by equipping them with cutting-edge AI expertise, fostering innovation, and advancing the nation's progress in technology-driven sectors.

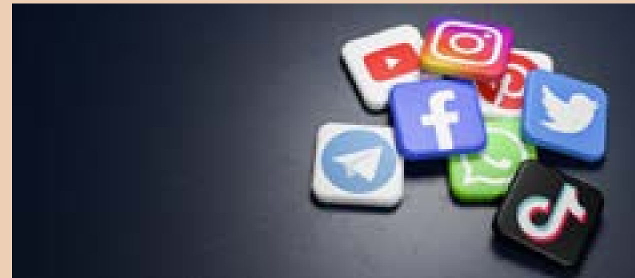
This initiative highlights the government's dedication to leveraging technology as a catalyst for economic growth, improved livelihoods, and new opportunities for the country's youth.

Bosun Tijani, the Minister of Communications, Innovation, and Digital Economy, reaffirmed Nigeria's ambition to lead Africa in AI development. He remarked, "Nigeria is among the few countries investing significantly in talent, AI, and computer technology, a step many other African nations have yet to take."

Applications for the program are currently open and will close at the end of January, giving interested individuals a limited time to take advantage of this opportunity.

Data & Information Governance Insight

Social media and Nigerian children's mental health



MICHAEL IRENE, PhD

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SOCIAL MEDIA HAS become an inseparable part of daily life. From WhatsApp conversations that span continents to the addictive pull of TikTok challenges, these platforms shape how people interact and view the world. For many, especially the young, social media offers an escape from reality, a digital playground full of entertainment and connection. But behind the captivating filters and viral trends lies a deeper, more troubling truth — social media's impact on the mental health of children.

In Nigeria, where the use of social media has grown exponentially, this issue is both timely and urgent. Children and teenagers, who are often at the forefront of new trends, spend hours scrolling through platforms like Instagram and Snapchat, seeking validation through likes and comments. With limited recreational facilities, social media fills a gap, offering young people a sense of belonging and excitement. Yet, it is a double-edged sword.

As children are drawn into the curated world of online perfection, many begin to compare their lives to the idealised images they see on their screens. Flawless beauty, expensive lifestyles, and carefully constructed narratives dominate their feeds, leaving young minds vulnerable to feelings of inadequacy. For a Nigerian child already grappling with societal and academic pressures, this can intensify a growing sense of failure.

Beyond the images and videos lies another hidden danger — social media platforms that collect data on users, including children, without proper consent. In Nigeria, where the data protection laws are not yet fully robust, this raises serious concerns. Companies use algorithms to predict and influence behaviours, often exposing children to harmful content or encouraging unhealthy habits. What begins as innocent scrolling can quickly spiral into exposure to content that exacerbates anxiety, depression, and low self-esteem.

Mental health, a topic often stigmatised in Nigerian culture, is at the heart of this crisis. Children who are struggling with feelings of loneliness, rejection, or sadness frequently turn to social media as a distraction, only to find their insecurities deepening. The pressure to perform well in school, fulfil family expectations, and conform to societal norms creates a heavy burden. When the likes or comments fail to come, many children internalise it as a reflection of their worth.

For parents, the world of social media can feel overwhelming. Some see it as a harmless way for their children to stay entertained, while others, burdened by work or financial struggles, may not have the resources or time to closely monitor their children's online lives. Conversations about the emotional impact of social media are often brushed aside, leaving children to navigate its complexities alone. Schools, too, are grappling with how to address this issue. While some private institutions in Nigeria are introducing lessons on digital safety, many public schools lack the funding or infrastructure to do so.

Recent developments, like Australia's decision to ban social media for children under 16, offer food for thought. While such a policy might seem drastic, it highlights the need to rethink how social media platforms are designed and regulated. Nigerian policymakers could draw inspiration from this by implementing stricter rules that protect children from harmful content and excessive data collection. Platforms must also take responsibility, creating safeguards that limit exposure to harmful trends and prioritise children's well-being over profit. At home, parents and caregivers must step up as the first line of defence. Simple steps, like limiting screen time, encouraging open discussions about emotions, and fostering offline activities, can help children build resilience. For educators, the opportunity lies in creating school environments that support mental health and emotional intelligence, equipping children with tools to navigate the challenges of growing up in a digital world.

Addressing this issue requires collective effort. Governments, families, schools, and social media companies must work together to ensure that digital spaces are safe and nurturing. Social media is not inherently bad. It has the potential to inspire creativity, build communities, and educate. But without careful oversight, its impact can be damaging, particularly to young and impressionable minds.

For Nigeria's children, the promise of a brighter future lies not in banning social media entirely but in finding a balanced approach that prioritises their mental health and well-being. It is a challenge we must meet with urgency, compassion, and the belief that every child deserves to grow up feeling seen, valued, and supported in both the physical and digital worlds.

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What Tariffs Can and Can't Do

DANI RODRIK

Dani Rodrik, Professor of International Political Economy at Harvard Kennedy School, is President of the International Economic Association and the author of Straight Talk on Trade: Ideas for a Sane World Economy (Princeton University Press, 2017).

CAMBRIDGE – The world economy awaits with dread the arrival of Donald Trump's trade tariffs. Trump clearly loves import duties and has promised to raise them for goods from China, Europe, Mexico, and even Canada. How much havoc this will wreak depends not just on the tariffs' scope and magnitude, but also on the purpose to which they are put.

Economists dislike tariffs for a variety of reasons. Like all barriers to market exchanges, they create inefficiency: they prevent you from selling me something I value more than you do, leaving both of us worse off in principle. Economic theory does recognize that this inefficiency can be offset by gains elsewhere. For example, tariffs can do some good in the presence of infant industries, knowledge spillovers, monopoly power, or national-security concerns.

Even then, economists will argue, tariffs are a very blunt instrument. After all, an import tariff is a specific combination of two different policies: a tax on consumption of the imported good and a production subsidy for its domestic supply, at equal rates. Any economic or non-economic objective can be met more effectively by deploying these policies separately and at customized rates, targeting them at desired outcomes more directly. To economists, tariffs are a pistol aimed at one's own foot.

Trump's view could not be more different. In his imagination, tariffs are like a Swiss Army knife – a tool that can simultaneously fix America's trade deficit, enhance its competitiveness, foster domestic investment and innovation, shore up the middle class, and create jobs at home.

This view is almost certainly fanciful. Tariffs will have highly uneven effects on US manufacturing, benefiting some while hurting those that depend on imported inputs or foreign markets. Even where they boost profits, there is no guarantee this will lead to more investment in new technologies or job creation. Corporations that get richer can choose to distribute the proceeds to their managers and shareholders instead of increasing productive capacity.

If Trump insists on his view, the good news, for the rest of the world at least, is that the economic costs will be borne mainly by Americans. That is another key insight from economics: just as the benefits of opening up to international trade accrue mostly at home, so do the costs inflicted by protectionism.

Hence it would be a tragic mistake for other countries to overreact and retaliate with their own tariffs. There is no reason for them to replicate Trump's error and raise the risk of an escalating trade war.

Trump could of course adopt a more limited approach. He has often made a narrower case for tariffs, as a weapon to extract concessions from trade partners. Importantly, this implicit rejection of across-the-board tariffs also seems to reflect the view of his nominee for Treasury secretary, Scott Bessent.

Before the election, for example, Trump threatened Mexico and Canada with 25% tariffs if they failed to "secure their borders." In principle, such threats do not need to be carried out if other countries comply with Trump's demands.

But it is unclear whether using such threats to change others' behavior will be effective. China, India, and other large countries are unlikely to be swayed by them, given the risks of appearing weak. In any case, tariffs are a poor threat regardless of whether one views them as a faulty pistol or a Swiss Army knife. On the conventional view, because tariffs are harmful to the domestic economy, they lack credibility as punishment for others. On the alternative Trumpian view, tariffs are inherently desirable, which means they are likely to be used regardless of what trade partners do.

There is a fourth, more realistic conception of tariffs that has been effective in some key instances. Advocates of this perspective view tariffs as a shield behind which other, mainly domestic policies can work more effectively. Traditionally, trade laws have allowed countries to use tariffs to protect vulnerable sectors or regions under specific conditions, effectively supplementing domestic social policy.

An even more significant example is infant-industry protection, which has worked best when it exists alongside other instruments to incentivize domestic firms to innovate and upgrade. Some notable cases include the late-nineteenth-century United States, post-1960s South Korea and Taiwan, and post-1990s China. In each of these cases, industrial policies went far beyond trade protection, and it is unlikely that tariff barriers on their own would have produced the gains each of these economies experienced.

Similarly, green policies often require some trade barriers to make them economically and politically viable, as in the case of the European Union's carbon tariffs and the local-content requirements of the US Inflation Reduction Act. In all these cases, tariffs play a supporting role for other policies that serve a broader purpose, and can be a small price to pay for the larger benefit.

Unfortunately, Trump has not offered a domestic agenda of renewal and economic reconstruction in any of these areas, and his tariffs will likely stand – and fail – on their own. When tariffs are moderate and are used to complement a domestic investment agenda, they need not cause much harm; they can even be useful. When they are indiscriminate and are not supported by purposeful policies at home, they do considerable damage – and more so at home than for trade partners.

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NEW YORK – In August 2021, the International Monetary Fund issued $209 billion to developing countries in the form of special drawing rights (the IMF's reserve asset). SDRs are much like cash, because recipient governments can convert them to hard currency. As such, they are a highly effective tool, and the IMF can and should make greater use of them.

While the 2021 issuance helped billions of people around the world, hundreds of thousands of Americans also benefited – and would do so again. Exports of US goods and services to developing countries total around $1 trillion, and if these countries get an infusion of reserves, they will import even more.

This effect can be quite significant. An SDR distribution the size of the 2021 issuance would be expected to create about as many jobs in the United States in one year as the $740 billion Inflation Reduction Act did in its first year. We are talking, conservatively, about 111,000-191,000 new jobs, most of which would be in export-related areas such as manufacturing, transportation, and warehousing.

In fact, the total number of jobs created could be substantially more, since we also must account for the role of SDRs – as reserves – in stabilizing developing economies. This effect would be even more important if the world economy slowed, as it seems to be doing now. (The global growth rate has declined sharply since the last SDR distribution, from a record 6.6% in 2021 to half that today.).

Nor is this the only compelling reason to favor another SDR issuance. With so many countries facing tight budgetary constraints in the aftermath of the COVID-19 pandemic, it could help countries make the investments needed to mitigate climate change.

And even if one puts these considerations aside, it is obvious that the world needs another SDR issuance. Many countries are facing debt crises, with the result that some 3.3 billion people live in countries that spend more on interest payments than on health care, while 2.1 billion people live in countries that spend more on interest than on education.

So why hasn't a new issuance already happened? It turns out that the US Treasury Department is the biggest hurdle. Under IMF rules (which were written in 1944), the 190-member organization does not follow the principle of "one country, one vote." Instead, the US has 16.5% of the votes, and any decision to authorize a new SDR issuance requires 85% approval. The Treasury Department, which represents the US at the IMF, thus wields a veto, and as long as it brings along other high-income countries, it can push through almost any measure it wants.

What is needed for another SDR issuance, then, is America's support. Though the Treasury Department would be required to give Congress a 90-day notice, a 2021-size issuance would not actually require a congressional vote. The outgoing Biden administration could start the process today, and Donald Trump's incoming administration need only concur with the decision.

Would Trump go along with this? It is certainly possible, considering that a new issuance would create jobs in the US. If it happens quickly, without any slowdown in Congress, it could even be distributed as early as April.

While US organized labor has already voiced support for a new issuance, Wall Street also has a big stake in the matter. US financial firms are holding tens of billions of dollars in debt-distressed developing countries' sovereign bonds, and a fresh infusion of cash into those economies could save them from potentially massive losses on their investments. As global economic growth has slowed, the bonds they are holding are more at risk than they were three years ago. Moreover, like the 2021 issuance, a new one would have zero cost to the US budget.

Of course, the biggest impact would be on the developing world. Globally, 282 million people are at risk of starvation, up from 135 million before the pandemic, and from 258 million in 2022. The additional reserves created by new SDRs would enable more imports of food and medicine, as well as investments in badly needed public-health equipment and infrastructure.

In 2021, the $209 billion SDR issuance exceeded all official development aid that developing countries received that year. Issuing SDRs can save hundreds of thousands of lives around the world, and, unlike most aid, it comes with no debt and no strings attached. For all of these reasons, the Catholic Church and other religious organizations have consistently supported new SDR allocations.

No economists, including at the US Treasury, have offered any plausible argument that a new issuance would carry significant downside risks. The IMF's own assessment concluded that the last issuance "contributed to global financial stability," with "no evidence that allocation materially contributed to global inflation."

The Biden administration should take the advice of virtually all the economists who have looked at this question and initiate a new issuance of SDRs. Doing so would steer the IMF onto a path toward creating hundreds of thousands of US jobs and saving countless lives around the world.

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