

# fmfinsights

Economy & Investment **Free**

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## Executive Order 5: Launchpad For Economic Diversification

*In the midst of dwindling revenue from the swinging oil prices, the federal government has put in place diversification plans to rescue the nation from mono economy, with the enactment of Executive Order 5, write Felix Omoh-Asun and Didi French.*

**A**rising from uncertainties in the oil sector and the attendant risk involved in depending on a single sector to drive the Nigeria's economy, the federal government has made concerted efforts to walk the path of diversification. Towards this direction, President Muhammadu Buhari led government has initiated a number of policies to walk the talk.

**EXECUTIVE ORDER 5**  
In giving boost to country's economic diversification plans, President Buhari signed Executive Order number 5 with the express

order to develop and prioritise local content. This is widely believed to be the masterstroke for boosting domestic production as well as creating jobs in science, technology and engineering, among many other technical fields.

The issue of local content has been in the front burner for many years, beginning from the discussions on CARBOTAGE in the maritime industry, yet the will to harness the potential of the idea remained a 'tough task' by previous governments until President Buhari's latest Order. Indeed, it will go a long way to strengthen the

Nigerian content Law of 2010.

The general sense is that the Order reinforces and broadens the Nigerian Local Content Law of 2010 in the oil and gas sector of the economy. It is noteworthy that some of the local oil firms are now big enough to run on their own steam with the technical know-how that allows them to buy assets in the oil and gas industry, become major players and manage their resources. Some of them are also into exploration and production as well as fabrication, engineering, and marine transportation", said one analyst.

The full impact of



● **President Muhammadu Buhari**

such Order can be fully grasped against the background that it will impact local consumption of home-made goods and services.

In other climes, particularly the United State of America (USA), forC instance, local content forms nearly 70 percent of the country's gross domestic

product(GDP). "United States Private Consumption accounted for 68.1 percent of its Nominal GDP in Mar

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**How FG Raised N1 trillion from 234 Privatised Public Assets in 22 Years** Pg. 03



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**PTAD Receives £26.5mn Repatriated Pension Funds From CAIM** Pg. 19





**FIRS**  
FEDERAL INLAND REVENUE SERVICE

**...it pays to pay your TAX**

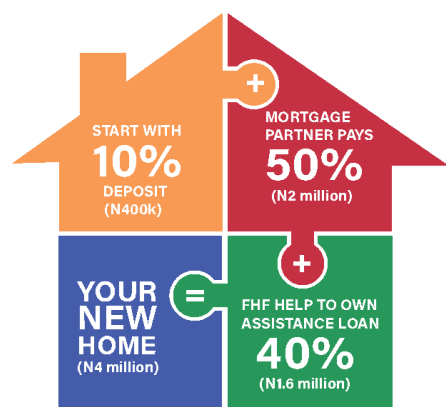




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# How FG Raised N1 trillion from 234 Privatised Public Assets in 22 Years

Tony Tagbo

**P**rivatisation and commercialisation of public assets was kick started by the administration of former President Olusegun Obasanjo in 1999. And ever since the exercise commenced under the supervision of the Bureau of Public Enterprises (BPE) 22 years ago, about N1trillion has been raised as revenue from the 234 public enterprises so far sold to private individuals and businesses.

A breakdown of the 234 assets involved from the time of the defunct Technical Committee on Privatisation (TCP) in 1989 to the creation of the BPE in 1999 showed that the agricultural sector accounted for 32; banking and finance 31; cement 15; energy construction and services 14; hotels and tourism 13; industry and manufacturing 9; oil and gas 13; ports 31; power 24; mines, and steel 38; automobile 8; paper and packaging 4; sugar 4 and telecom.

In 2021, BPE has targeted over 30 assets for privatisation, including

nine categorised as energy, eight in industries and communication, six in development institutions and natural resources. From 2020, 22 of the assets to be privatised were carried over.

According to the Director-General (DG) of BPE, Mr Alex A. Okoh, the Bureau is expected to generate N493.40 billion revenue from various transactions as approved by the National Council on Privatisation (NCP).

Okoh, who recently briefed journalists on the activities of the agency, also cleared the air on the speculated moves to privatise the Transmission Company of Nigeria (TCN), saying that the federal government is not contemplating an outright sale, but considering how to attract private capital to the transmission component, without ceding the ownership of the company.

He also denied the involvement of the BPE in the proposed moves by the Nigerian National Petroleum Corporation (NNPC) to acquire a 20 percent stake in the Dangote Refinery, which is currently under construction.

But, he added that

its initial plan to privatise the nation's four refineries had been dropped when the federal government opted for a revitalisation approach to improve them. He stated that the refineries with a refining capacity of about 480,000 barrels were at various stages of non-performance.

He also said: "Our plan initially was to privatise the refineries, especially with private investors going into refining," stating that with the NNPC believing that they could be rehabilitated, the privatisation agency had to drop them from its 2021 workplan.

Commenting on the Ajaokuta Steel Company, the BPE boss said that although the issues involved were complex, he, however, expressed optimism that they would be resolved, especially the litigation aspect, adding that once that is settled, a decision will be taken on how to forge ahead with the company.

According to him, the rationale for privatisation was to generate revenue for the government, reduce operational inefficiencies, revitalise and optimise public sector entities and



● Mrs. Zainab Ahmed

increase investment level as a catalyst for growth. He also said that the nation's fiscal space is getting increasingly constrained, pointing out that as a result, government cannot provide the resources required to meet all of its obligations and bridge the huge infrastructure gap.

He stated that the most feasible option was to attract private sector investments, stressing that

BPE's current initiative in its 2021 work plan and additional roles in the Public-Private Partnership (PPP) space is poised to impact the economy positively.

Meanwhile, Quest Electricity Nigeria Limited has acquired the Yola Electricity Distribution Company (YEDC) with a bid price of N19 billion.

The Bureau of Public Enterprises (BPE) in

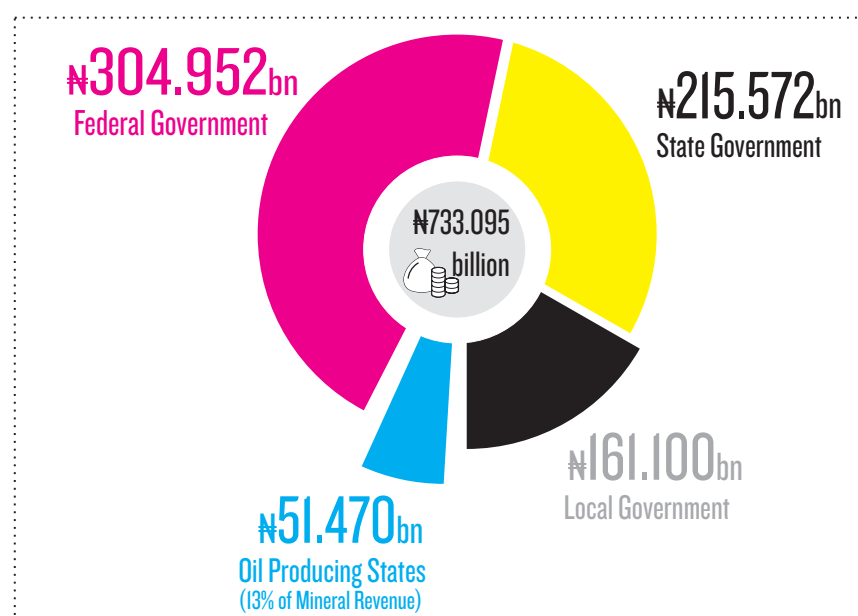
a statement by Amina Othman, Head, Public Communications, indicated that the Share Sale and Purchase Agreement (SSPA) for the privatisation of YEDC was signed recently between the agency and the investor.

The statement quoted Mr. Okoh as saying that in addition to paying the purchase fee of

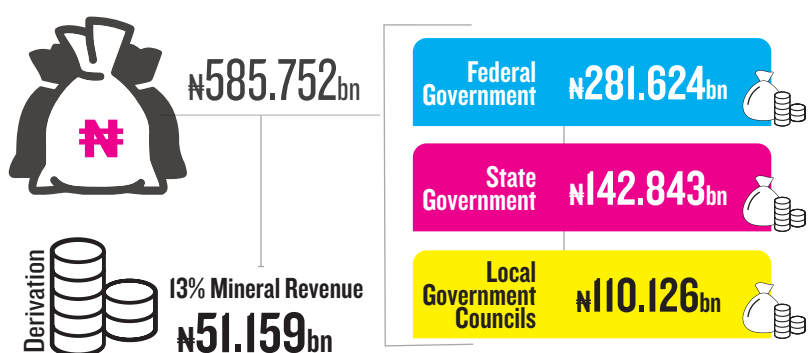
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## FAAC Shares N733bn June 2021 Revenue to FG, States, LGs

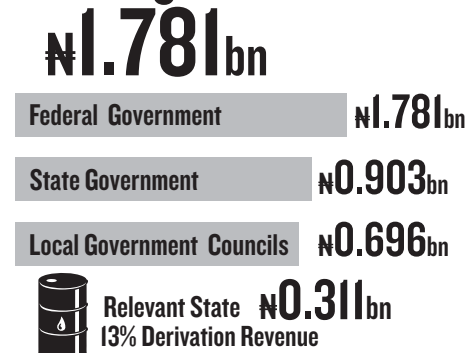
Federation Accounts Allocation Committee (FAAC) Share:



### Statutory Revenue Distribution



### Exchange Gain Revenue



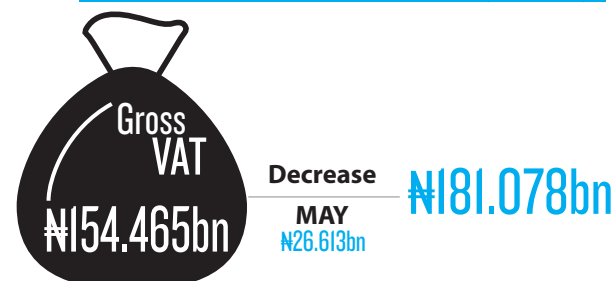
Cost Of Collection, Statutory Transfers And Refunds

**N87.469bn**

The balance in the Excess Crude Account (ECA)

**N60.853bn**

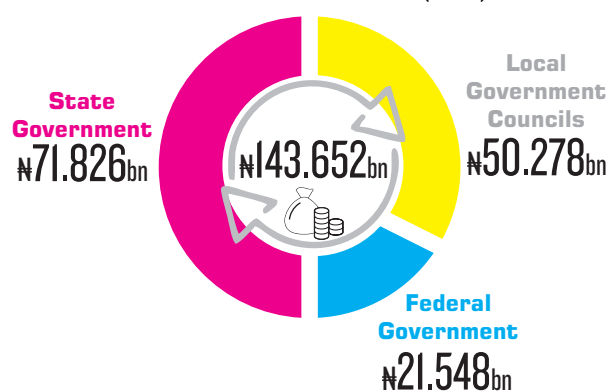
### Value Added Tax (VAT)



Allocation To NEDC **N4.634bn**

**N6.179bn** Cost Of Revenue Collection

Distributable Value Added Tax (VAT) Revenue





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# Executive Order 5: Launchpad For Economic...

2021", says the US Census and Economic Information Centre (CEIC) while the Balance concur: "Consumer spending contributes almost 70 percent of the total United States' production. In 2019, that was \$13.28 trillion".

Interestingly, Nigeria is moving away from an oil-based economy with the 2021 Budget envisaging a larger share of revenue with emphasis on non-oil products thus setting the pace for the impact of the Executive Order.

Historically, while the oil sector generates the most revenue, the non-oil sector contributes more to the GDP. The trajectory is likely to be perpetuated with the difference being in the magnitude of the contribution of the non-oil sector to the GDP - it is likely to increase.

About N2.2 trillion is estimated to come from oil receipts. This figure is more than double the N1.09 trillion receipts projected in the revised 2020 budget. Similarly, the non-oil revenue projection is pegged at N1.49 trillion, lower than the N1.62 trillion budgeted in 2020. This reduction is because of the economic impact of the COVID-19 pandemic on revenues anticipated from company income taxes.

In terms of granular details, the Executive Order provides that preference should be given to local manufacturers of goods and services in their procurement processes; promote local content in the application of science, technology and innovation in all sectors of 'the nation's economy'.

"Therefore, all factors considered, if faithfully implemented, the Executive Order will enhance increased participation of local firms in the economy, create more job openings and minimise capital flight. It will also serve as another conscious step by the government to protect an important segment of the society and empower them to pull out of poverty. We are optimistic that the ministries departments and agencies (MDAs) will enforce and implement the new Order to the letter", according to an economist.

This has implication for diversification of the economy; mining, agriculture, and by extension, the fourth industrial revolution (4IR) among other areas of the economy. Where the resort to local production is applied across board, certainly a broader segment of economic sectors will not only be impacted, they will start contributing significantly to the economy. For an economy struggling with an unemployment rate of 33 percent, the Executive Order is a welcome

development. When local companies get their well-deserved dues in terms of government and other patronage, they are likely to expand and absorb the burgeoning army of workers.

In line with this drive, the Central Bank of Nigeria (CBN) has been creative in its development finance initiatives, thus, creating thousands of jobs in agriculture as well as improving access to credit for Micro Small Medium Enterprises (MSMEs) to keep entrepreneurs going and helping them absorb thousands of unemployed.

The

president noted that the economic diversification agenda embarked upon by his administration supports the primary goal of national food self-sufficiency and it helped "during the long months of the pandemic lockdown."

To take this forward, Buhari said: "We are also currently rebuilding our national infrastructure base and, in the process, introducing transformation through the rehabilitation, modernisation, and expansion of the railway system, national roads and bridges both in rural and urban centres, alongside the

create jobs, it will also help in the redistribution of wealth via the Commodity Exchange.

## CAPITAL MARKET

She described the Nigerian capital market as a key catalyst for the development of the critical sectors of the economy, saying it offers a credible platform for obtaining medium to long term finance.

Mrs. Ahmed, who spoke during a webinar organised by the Securities and Exchange Commission (SEC) in collaboration with the Ministry of Solid

Trade (GATT) 1994. Mrs. Ahmed also said that the initiative of employing the Commodities Exchange would encourage responsibility accounting and fairness to governance.

According to her, this and other initiatives will also facilitate the collection of all royalty and fees due to the government from the export of solid minerals sector, ensuring the integrity of the mining data, minimising revenue leakages and removing undue bottlenecks experienced with transactions by both exporters of minerals as well as the regulatory agencies.

She added that identified as one of the frontiers of opportunity in the new economic reality, the Nigerian commodity trading ecosystem serves as the core point which supports and accelerates the development of non-oil commodities, which will be complimentary by ongoing efforts to diversify the national economy.

Mrs. Ahmed did state that inefficient linkages of buyers and sellers in sufficient schemes will possess the capacity to proffer solutions to some of the fundamental challenges inherent in the mining sector.

She stated further that streamlining the operations of the mining sector through the commodities trading ecosystem and through other initiatives will ensure proper regulation of solid minerals extracting industry in the country. She expressed optimism that the outcome of the webinar and the strategic partnership between the mining sector and the capital market community will enhance the competitiveness of new non-oil commodities and compliment the economic diversification of the federal government.

## NON-OIL SECTOR

She had insisted that the Nigerian economy is currently being driven by the non-oil sector, stating this at a meeting with the leadership of the National Assembly on July 6 this year over the 2022-2024 Medium Term Expenditure Framework and Fiscal (MTEF) Strategy Paper. Then the Honourable Minister said: "The growth of the Nigerian economy, we are pleased to say, is driven largely by the non-oil sector, which has risen to 0.79 percent, masking the deterioration in the oil sector.

"Although the Nigerian economy experienced more revenue generation in 2020 from non-oil sectors, the growth in the non-oil sector was primarily driven by telecoms and agriculture sectors as well as other sectors of the

Nigerian economy. Significant concerns still exist in the performance of trade, as well as transport sector which are still in a very strong negative growth," Mrs. Ahmed said.

She said: "The economy since then has sustained a tepid growth in the first quarter of 2021, with a growth of 0.51 percent consolidating our exit from recession in the fourth quarter." She recalled that Nigeria was able to make a quick exit from recession in the third quarter of 2020 despite the impact of the COVID-19 pandemic on the global economy.

She noted that the federal government earned N2.09 trillion from non-oil sector in six months. According to her, this had an attendant 'negative growth' on the Nigerian economy as a result of the significant and sudden drop in crude oil price in the international market.

## POWER, WORKS AND HOUSING

Lending his voice to the Executive order 5 on December 31, 2019, Honourable Minister of Works and Housing, Mr Babatunde Fashola, revealed that one of the things President Buhari sought to change by approving the Executive Order 5 was the inclusion of Nigerians in the productivity cycle and to enable them get preferential opportunities for jobs that would be created in the country.

He stated this in Abuja at the plenary session of the extraordinary general meeting of the Association for Consulting Engineering in Nigeria on 'MDAs and the Implementation of the Presidential Executive Order 5'.

He recalled that his office received a letter from the office of the President on February 22, 2018, informing him about the approval of an executive order. Mr. Fashola, who then had Ministry Power in his control, said that he immediately minuted the same directive to the permanent secretaries for power, works and housing, requesting that the presidential order should be integrated into the procurement compliance with BPP.

The minister described Executive Order 5 as a 16-page Presidential Order and decision taken in pursuit of the Economic Recovery and Growth Plan (ERGP), meant to restore economic growth through diversification and macroeconomic stability.

Mr. Fashola noted that one of the enduring objectives of Order 5 was to create jobs locally and stimulate productive activity that facilitates inclusion.

## The mining sector is strategically based as alternative source for revenue generation in the economic diversification plan of the federal government of Nigeria. It also has the potential to create employment and develop rural settings for other benefits

administration's agriculture initiative is best illustrated with the success recorded by the CBN. The CBN's innovative policies include the Anchor Borrowers' Programme (ABP) launched by President Muhammadu Buhari in November 2015. The programme has triggered a revolution in the value chain of agri-business. Nigeria, with total production of nine million metric tonnes of rice annually, has since become a major producer of rice, supplying key markets in neighbouring countries.

Data reveal that the programme has so far financed over 3.1 million farmers to the tune of over N492 billion for the cultivation of 3,801,397 hectares across 21 commodities through 23 Participating Financial Institutions in the 36 states of the Federation and the Federal Capital Territory (FCT).

In terms of job creation, the programme has generated over three million direct and indirect jobs across the agricultural value chain.

Buhari had said in January this year that his administration was bent on diversifying the economy. "As an administration, we are currently undertaking a series of special interventions designed to boost job creation"

He said the focus on diversifying the nation's economy has helped reduce growing food inflation and improved food security. The

airports and seaports."

"The reforms we have put in place in the power sector would guarantee increased efficiency in our drive to significantly expand the generation and distribution of electricity for use in homes and factories.

"As an administration, we are currently undertaking a series of special interventions designed to boost job creation and support the entrepreneurial drive of our youths. With the recent opening of our borders, we expect that the pent-up demand of legitimate cross-border and international trade will boost the fortunes of the many small businesses and agricultural enterprises that depend on Nigeria's trade and commerce.

## EFFECT OF ORDER 5 ON MINING

The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, noted that though government's drive to broaden the sources of revenue is being negatively impacted by the pandemic, viable areas like the mining sector will be developed and linked to a Commodity Exchange to enhance their potential.

According to her, "the mining sector is strategically based as alternative source for revenue generation in the economic diversification plan of the federal government of Nigeria". Not only will the sector help

Minerals Development, on July 16, 2021, said the facilitation of funding and provision of structured market platforms such as the Commodities Exchanges portend a boost for the mining and solid minerals sector.

She said: "Given the economic challenges occasioned by the COVID-19 pandemic, the ongoing efforts of the federal government to achieve economic diversification has been affected by a decline in revenue, underlined by volatility in global oil prices, which is our main source of foreign exchange earnings.

"The mining sector is strategically based as alternative source for revenue generation in the economic diversification plan of the federal government of Nigeria. It also has the potential to create employment and develop rural settings for other benefits."

She stated that the mineral export guidelines by the federal government was formulated to address the need to keep accurate mineral trade data, ensure effective monitoring of the evacuation of export proceeds, to optimise the collection of royalties and facilitate the implementation of free shipment inspection policies of the federal government on each export transaction.

She added that this is international best practice in line with the Marrakesh Protocol of the General Agreement on Tariffs and

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# Nami, FIRS Helmsman Transforming Nigeria's Tax System

Since his appointment in December 2019 by President Muhammadu Buhari, Mr. Muhammad Nami, Executive Chairman of Federal Inland Revenue Service (FIRS), is gradually transforming Nigeria's tax system with strategic policies that have significantly changed revenue collection in the country. **MUSA IBRAHIM** Writes.

The Federal Inland Revenue Service have over the years been involved in tax collection on behalf of the federal government as part of its statutory mandate.

However, since the coming onboard of Mr. Muhammad Nami as the Executive Chairman of the Service, the implementation of tax exemption for businesses with yearly turnover of N25 million and below from Valued Added Tax (VAT), deployment of technology to check tax fraud and enhance efficiency as well as bringing more people into the tax net has been one of the catchy moves made the head of the FIR.

In fact, Mr. Nami has reiterated the need to improve the trend and increase the country's tax revenue for greater good of the economy and the people. The FIRS has in recent months, initiated reforms aimed at bringing more people into the tax net and ensuring that right taxes are paid to the coffers of government through technology.

From the sensitisation of private sector businesses and individuals on the need to pay taxes to the simplification of tax collection processes and passage of the Finance Act 2019, the FIRS is delivering on its mandate as seen in its first quarter 2020 figures. The FIRS increased collection record in the first quarter of the year with tax collections up from N1.04 trillion in the first quarter of 2019 to N1.12 trillion in first quarter of 2020.

Nami, a Fellow of the Chartered Institute of Taxation of Nigeria, attributed the feat to the policy reforms and institutional re-organisation he initiated on assumption of office last December.

According to him, first quarter collection results have traditionally been notoriously low as a result of limited economic activities within the period, which business analysts trace to the festive hangover of the New Year's celebrations, among other factors.

He said the feat was achieved despite the global fall in crude oil prices and shutdown of global economic system due to the COVID-19 pandemic.

Analysis of the collections showed that Capital Gains Tax recorded 568 percent increase to N643.9 billion from N96.4 million, Gas Income Tax rose by 420 percent from N2.97 billion to N15.4 billion while Petroleum Income Tax



● Executive Chairman, Mr Muhammad Nami

increased by nine per cent. The Companies Income Tax increased by 152 per cent to N102.6 billion, among other positive indicators.

In addition, Stamp Duty collection in the first quarter of the year stood at about N4.6 billion, about 36 per cent increase compared to the first quarter of last year's figure of N3.38 billion.

The FIRS also recorded an 81 per cent increase in its collection of Education Tax, with N13.1 billion collected in the first quarter of 2020 compared to N7.22 billion in the corresponding period in 2019.

After all, the recently signed 2019 Finance Act is improving the ease of doing business environment in the country, especially for small businesses, noting that the Act exempts businesses with a yearly turnover of N25 million and below from VAT. However, these businesses would enter the tax net through continuous assessments. This Act is already impacting positively on small businesses as well as the economy.

## MAKING TAX COLLECTION SEAMLESS

As a result of the Covid-19 pandemic impact on businesses, the FIRS launched business continuity plan and measures to ensure the safety and well-being of taxpayers and other stakeholders.

It is projected that the country has a low tax base and will most likely face an unprecedented revenue challenge due to the pandemic.

To cushion the effects, the tax agency introduced some measures, which are designed to relieve taxpayers of the burden of tax compliance at this time while also ensuring the safety of its staff members, taxpayers and the public. The agency has extended the time for filing VAT and

withholding tax from the 21st of every month to the last working day of the month, preceding the month of deduction.

Also, the due date for filing company income tax returns has been extended by one month while taxpayers will be allowed to file returns using unaudited accounts. However, they must subsequently submit audited account within two months after the revised due date of filing.

The agency equally outlined some measures to reduce visits to the various tax offices and enhance operational efficiency.

The measures include extension of the filing deadline of some taxes. Taxpayers were urged to use available e-platforms for filing tax returns, including withholding tax, transfer pricing, and company income tax returns electronically.

The FIRS planned to publish information requests for desk reviews and tax audits on its website and create a portal where such information can be uploaded by taxpayers for online review by the service.

Subsequently, the Domestic Tax Operation Group (DTOG) of the FIRS are already working round the clock to ensure that tax operations are met.

The DTOG had pledged that FIRS would keep track of the compliance behaviour of taxable entities, especially by integrating FIRS e-solution platforms with the Integrated Payroll and Personnel Information System (IPPIS), Government Integrated Financial Management Information System (GIFMIS), and the Taxpayer Identification Number (TIN) with Bank Verification Number (BVN).

The promotion of quality service delivery to taxpayers necessarily

requires the adoption of technology. The Service was, therefore, admonished to intensify efforts towards completing the various ICT interventions, including the on-going VAT automation as well as the need to build a centralised taxpayer database to ease access to information."

Subsequently, as part of its efforts aimed at modernizing tax administration in the country, the apex tax agency also introduced a new Tax Administration Solution (TaxPro-Max) for ease of tax compliance.

A Public Notice signed by the Executive Chairman, FIRS, Mr Muhammad Nami, disclosed that "TaxPro-Max enables seamless registration, filing, payment of taxes and automatic credit of withholding tax as well as other credits to the Taxpayer's accounts, among other features. The TaxPro-Max also provides a single-view to Taxpayers for all transactions with the Service". The TaxPro-Max platform is accessible at [www.taxpromax.firs.gov.ng](http://www.taxpromax.firs.gov.ng)

Mr. Nami disclosed that as "from 7th June, 2021, the TaxPro-Max becomes the channel for filing Naira-denominated tax returns" in the country. Consequently, Mr. Nami notifies all Taxpayers as follows: "All Naira-denominated tax returns are to be filed via the TaxPro-Max Solution in order to generate the obligatory Document Identity Number (DIN)".

He added that henceforth, "Taxpayers will not be able to pay without DIN; as such taxpayers wanting to submit their tax returns manually must visit the relevant tax office where FIRS personnel will be on hand to assist them to upload the returns and generate the DIN;

"In view of the time it might take to upload manual

returns and generate the DIN, taxpayers are encouraged to bring manual returns for upload, at least, two weeks before the due date; Qualified Personnel of the Service are on hand to assist taxpayers experiencing challenges in filing returns on the TaxPro-Max. They may be reached via email, [taxpromax@firs.gov.ng](mailto:taxpromax@firs.gov.ng)".

Mr. Nami advised "taxpayers that are yet to get their user credentials to visit the nearest FIRS Tax Office to be on board immediately".

## CREATING AWARENESS FOR MSMEs, TAX PAYERS

Nami has met with officials of traders' associations and unions as part of his public enlightenment to taxpayers and collecting agents on the provisions of the Finance Act.

The FIRS boss also visited some major markets in Lagos and other parts of the country to educate traders and marketers on the benefits of the Finance Act 2019 to them and their businesses, especially as small businesses.

Highlighting some public infrastructure being built by the Federal Government, Nami stressed that the President Muhammadu Buhari Administration was making judicious use of tax revenue, and charged the traders to continue to pay their taxes promptly so that the government could do more for them.

Nami also disclosed that more FIRS tax offices would be opened in markets nationwide to bring the service nearer to traders and make tax compliance easier for them.

He stated that the ongoing reforms at the FIRS have decentralised key operations of the Service to make it easier to do business with the FIRS, including filing for Tax Clearance Certificate manually for it to be generated electronically on the Service's Integrated Tax Administration System (ITAS).

## CHECKMATING TAX EVASION

In a bid to bring more people into the Tax net and address the perennial issue of tax evasion, the FIRS recently served a notice to tax defaulters notifying them of plans to recover taxes due from their assets in the custody of any person, including sums standing to its credit with any bank or financial institution in Nigeria.

The FIRS said it took the decision following the rising cases of willful and illegal withholding of taxes

collected by companies, corporations, Ministries, Departments and Agencies (MDAs) as well as other agents of collection.

Recalled that the FIRS had issued a similar notice to MDAs demanding payment of all outstanding tax liabilities to the Service within 60 days from the date of publication of the notice.

"It becomes clear, following these notices, that any MDA, company, corporation and other collecting agent that fails to comply with the directive stands the risk of having all outstanding taxes deducted directly from their bank accounts or statutory allocations, or have their other assets seized by the FIRS and turned over to the Government of the Federation in lieu of the withheld taxes," the FIRS said.

## 2021 TARGET

The Federal Inland Revenue Service (FIRS) anticipates revenue collection of N5.9 trillion in 2021.

While defending the Service's 2021 budget before the House of Representatives Committee on Finance in ABUJA recently, the FIRS boss stated that the 2021 budget was tailored to reposition the Service for a more effective tax collection for all tiers of government.

He added that strategies had been put in place to enable electric tax collection so as to enhance compliance with the COVID-19 safety protocol of social distancing.

Nami said that the FIRS would also deepen synergy with its state counterparts to generate more revenue for the country.

He said N289 billion was earmarked for the operations of the Service in 2021.

He explained that revenue collection anticipation was N8.5 trillion, but was reviewed to N5.3 trillion as COVID-19 reared its head.

Nami said notwithstanding the nationwide lockdown of 2020 and the adverse effects of the pandemic, the Service was able to collect N4.9 trillion in revenues.

He said that of the projected N180 million non-oil revenue, the Service was able to collect N130 million.

Nami also announced that the Service would not be recruiting new employees in 2021 saying that 60 per cent of its workforce had been staying at home since the advent of COVID-19



# All Vehicles Under Approved Federal Government Budgets Be Procured From Local Assembly – Buhari

To further encourage and nurture the Nigerian automotive industry to growth, President Muhammadu has directed that all vehicles to be purchased under approved federal government budgets, should be procured from locally assembled vehicles.

Other tiers of government are also inspired to do the same, according to Mrs. Zainab Ahmed, Honourable Minister of Finance, Budget and National Planning, in her keynote address on the recent occasion of the commissioning of three new brands of Innoson Vehicles at Umudim Nnewi in Anambra State.

This is in order to stimulate growth of the industry through patronage which will sustain jobs locally rather than keep them abroad.

In line with the aspirations of achieving government's 2021 budget objectives, bold, decisive and urgent actions would be taken where necessary to address some of the challenges of the Nigerian automotive sector.

On the commissioning of the three new automobile assembly plants of Messrs Innoson Vehicle Manufacturing Company Limited, it is indeed gratifying to note that the 'Innoson Brand'

which is proudly Nigerian has blazed the trail in automobile assembly under the National Automobile Industrial Development Plan (NAIDP)," Mrs.

and encouraged local manufacturing in Nigerian to assist in creating more jobs as well as boosting the economy.

In her words: "I

to the outcry from local automobile assemblers on the fiscal policy measures for the industry, Mr. President had directed a review of the policy to ensure greater output in the

She informed the gathering that the Ministry of Finance, Budget and National Planning has put in place a Vehicle Registration (Vreg) Portal, to ensure that every vehicle imported or manufactured locally is captured in a central database, using the 18 – digit Vehicle Identification Number (VIN). This is to help tackle smuggling and forestall leakages in government revenue from evasion of import duty payment on all vehicles, according to her.

In her opinion, Nigeria must be able to produce what it consumes. "Nigeria's annual vehicle demand is put at about 720,000, while local production currently stands at about 15,000. This is not encouraging, as this means that we have to rely on imports to meet the demand for vehicles which cannot be met by the upcoming local automobile industry.

"Out of about 50 companies that were recommended by the National Automotive Design and Development Council (NADDC) to the Federal Ministry of Finance, Budget and National Planning to be given recognition as bonafide automobile manufacturers/assemblers, and to be allowed to import completely knocked down and semi-knocked down (CKD/SKD) components at 0 percent and 10 percent duty rates respectively, only

about 15 are currently into active production," she also noted.

A part from expressing the gladness to see that Innoson Vehicle Manufacturing Company Limited is striving relentlessly to be part of the local manufacturers, Mrs Ahmed also stated: "Moreover, as part of the key principles underpinning the Finance Act, 2020, we shall continue to foster closer coordination of monetary, trade and fiscal policies.

This, in her position, is to ensure that we continually endure and evolve fiscal and monetary policies to enhance the growth and development of the Nigeria's economy, especially the automotive industry.

"To put in perspective, the affordability of locally manufactured vehicles for the Nigerian citizens would require support for the vehicle purchase scheme under NAIDP. We shall therefore initiate discussions with relevant authorities towards means to support the scheme to promote consumer credit and financial inclusion.

She congratulated the government and people of Anambra State, Innoson Vehicle Manufacturing Company Limited and Chief Innocent Chukwuma, for the commendable and laudable feat towards creating jobs, growth and investment in Nigeria.



● President Muhammadu Buhari, addressing the National Assembly

Ahmed said.

Thanking President Buhari for always yielding to genuine reasons and demands towards attracting Foreign Direct Investment (FDIs) to spur our industrialisation agenda, she noted: "From inception, Mr. President has consistently supported

recall that in 2016, as part of measures to abate the spate of smuggling of automobile and its implication for the assembly industry, Mr. President had approved the restriction of importation of new and used vehicles to Nigeria. Also recently, in response

sector.

This, according to her, is in line with Nigeria's philosophy to harness optimally, the benefits of the regional integration under Economic Community of West African States (ECOWAS) and the African Continental Free Trade Area (AfCFTA).

Cont. from page 03

## How FG Raised N1 trillion from 234 ...

N19billion, the new investor has committed to a Performance Improvement Programme which would involve an investment of N28 billion, over a period of two years.

He also said that Quest Electricity was committed to improving the quality of life of the inhabitants in the North-East geopolitical zone, through aggressive investment drive, thereby providing an economic tool for combating the insurgency in the region.

According to the DG: "This investment will be utilised for the purpose of carrying out an extensive upgrade of the company's electricity distribution network, in order to bring the business to the level of financial viability. It is expected that the increase in energy supply will stimulate economic growth and

development in this region through the creation of new industries and opportunities; attracting much needed investment; and boosting job creation."

The investor's performance targets include: Reduction in ATC and C losses from the current level of 80 percent (which is the highest in the industry) to 29 percent (this translates to a 51 percent loss reduction); growth in customer base from 396,650 to 596,650 (which represents close to 50 percent increase); and a significant increase in energy supplied from 1,305 GWh to 1,714 GWh (an increase of over 400 GWh (31 percent increase).

While noting the rigorous process of the negotiation which took place in the wake of the COVID-19 pandemic and its crippling impact on

economic activities as well as the challenging operational environment in the North East region of the country, Mr. Okoh described the deal as a testament to the commitment and doggedness of the parties to deliver on the transaction

and the high collaborative spirit between the federal government and the core investor.

In his words: "It is a clear indication that there is still a significant level of interest on the part of investors in the federal government's reform and

***It is a clear indication that there is still a significant level of interest on the part of investors in the federal government's reform and privatisation programme***

privatisation programme, notwithstanding the challenges in the power sector and the reaction that has trailed the privatisation process. This continued interest shows that the federal government took the right decision in reforming the power sector."

In his remarks, the Chairman of Quest Electricity Nigeria Limited, Alhaji Adamu Mele, noted the insecurity in the company's area of franchise but assured that it would work round it to transform the distribution company within a short time through infrastructure upgrade.

Two firms-Quest Electricity Nigeria Limited and Sandstream Nigeria-submitted proposals to acquire the Yola Disco early 2018, out of the 12 that earlier indicated interest in the Disco.

However, by March

2018, BPE said that Sandstream's submission for Yola Disco was found to be non-responsive, as it failed to include a bank guarantee in line with the requirements in the Requests for Proposal (RfP).

Yola Disco was successfully privatised and handed over to a core investor, Integrated Energy Distribution and Marketing Company, which acquired 60 percent equity in the YEDC in 2013.

However, a force majeure was declared in 2015 by the core investor, citing insecurity in the North-East region of the country. Following this, the company was duly repossessed by the federal government, after which the National Council on Privatisation gave BPE the approval for a fresh transaction that culminated



# Taking Steps

- Operationalised the NSIA-LUTH Cancer Centre (NLCC), a full-service out-patient cancer centre
- Advanced Diagnostic Centre in Aminu Kano University Teaching Hospital completed
- Finished civil and construction works at the Advanced Diagnostic Centre in Federal Medical Centre Umuahia (FMCU)

# Touching Lives

- Increased access to quality oncology care and treatment in Nigeria
- More than 2,000 patients have now undergone treatment
- National radiotherapy equipment-to-people ratio boosted
- Major healthcare programme set to reverse medical tourism and reduce foreign currency exposure



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## EDITORIAL

# Why The FG's Initiatives For Non-oil Exports Are Now More Encouraging

It is quite encouraging to see that the federal government is boosting opportunities for non-oil exports, deploying pro-development initiatives across the country to enhance its diversification drive.

Recently following the official launch of the Economic Community of West African States (ECOWAS) Trade Promotion Organisations (TPOs) Network towards increasing the volume of trade within the region, Nigeria could be seen to be firm to boost its non-oil exports, leveraging the platform.

The Executive Director /CEO of the Nigerian Export Promotion Council (NEPC), Mr Segun Awolowo, had made the inaugural president of the ECOWAS' TPOs and the Council is glaringly repositioning the nation's export through the implementation of its N50 billion export expansion facility programme (EEFP), a part of the Economic Sustainability Plan (ESP) as led by the Vice President, Professor Yemi Osinbajo.

Although the EEFP is expected to significantly raise the volume of non-oil exports

in Nigeria, it is also notable as a spin-off of the zero-oil plan developed by Mr. Awolowo and approved by President Muhammadu Buhari.

Besides providing financial support for the average Nigerian exporter, the EEFP is also going to see the establishment of top-notch warehouses in the country close to airports where Nigerian goods meant for export would be packaged to global competitive standards ahead of exportation.

It is very heartening that the EEFP, in line with the federal government's ESP, is focused on cushioning the effects of the COVID-19 pandemic on non-oil export businesses, thereby safeguarding jobs and creating new ones.

Earlier in March this year, Otunba Niyi Adebayo, Honourable Minister of Industry, Trade and Investment (MITI), officially flagged off the EEFP and also launched the first online grant management portal (GMP) for non-oil exports. Of course, while the EEFP is being implemented by the NEPC, the Federal Ministry of Industry, Trade and

Investment is the supervisory body over the agency and its operations.

It was disclosed that although the programme anticipated 500 beneficiaries, it has since the launch received over 3,500 applications for the grant, out of which over 2,000 were verified after meeting the eligibility criteria.

The details and plans for the disbursement of the grant to the final successful beneficiaries are being awaited, according to the federal government.

Aside being an intervention to save and create jobs, the programme "will support resilience in shoring up the foreign exchange, diversification, modernisation of Nigeria's economy and acceleration of economic growth and support."

It is worth noting that under the programme, there are 16 other programmes as approved in the implementation work plan under seven workstreams namely – capacity building, emergency interventions, export aggregation, export inclusion, export trade facilitation, institutional

strengthening and market development.

For instance, the emergency intervention is to support existing exporters in responding to shocks caused by COVID-19, while market development involves penetrating identified export markets as value chain analysis for priority products, leveraging Africa Growth and Opportunities Act (AGOA) and other trade treaties.

Considering the significant role small businesses play in growing the Nigerian economy, the micro, small and medium enterprises (MSMEs) are the target group of support from the EEFP and the export development fund (EDF).

At the launch of the TPO Network, Prof. Osinbajo stated that there was a need to expand intra-regional trade in the ECOWAS sub-region, with the opportunities presented by the African Continental Free Trade Area (AfCFTA) agreement.

In the same vein, Mr. Awolowo stated that the Network would work towards facilitating the ease of trade for MSMEs within the ECOWAS region and the entire Africa.

# Nigeria Calls For More Concessional Resources To galvanise Growth Momentum

Considering its commitment to the reforms, Nigeria has called for more concessional resources through a robust International Development Association (IDA) 20 replenishment and accompanying choice of policy menu to galvanise the growth momentum required to assist the continent in its long-term development aspirations.

This was recently stated by President Muhammadu Buhari in his remarks delivered on his behalf by Mrs. Zainab Shamsuna Ahmed, Honourable Minister of Finance, Budget and National Planning, at the meeting of African Heads of States Summit on IDA in Abidjan.

Since they last met in Paris under President Macron's initiative, "we had all resolved to be emphatically resolute in underscoring the imminent threats to Africa's decade

long developmental gains and solicit the support of the international community to strengthen the outcomes."

Given the magnitude of the challenges, President Buhari said that they were hopeful that together, a very robust replenishment awaits them in Tokyo, positing that: "Given the enormity of the challenges, if we are not strongly purposeful on the African agenda, Sub-Saharan Africa will not be able to fully attain the sustainable development goals (SDGs).

On the essence of the meeting, President Buhari said: "Although, we have been consulting both bilaterally and under the umbrella of the ECOWAS and the AU, our meeting today is to continue this discussion by engaging with our trusted partner - the World Bank Group especially IDA which has remained in solidarity with us for all this while.

According to him, Africa's resource needs are

*We must continue to build partnerships and global solidarity especially with the most vulnerable population most of who are domiciled in Africa*

consistent with that of the SDGs as encapsulated in the 2015 Addis Ababa declaration of Financing for development document 'From Billions – to – Trillions'. "We agree that these needs cannot be met with Official Development Assistance (ODA) alone, we are, therefore, stepping up

our domestic resources mobilisation efforts, but the pandemic has created a new sense of urgency and gravity.

However, as they exchanged views on how to mitigate the effects of the pandemic and focus on building back better in the long-term development

trajectory even at the risk of repetition, President Buhari highlighted: "Some of the critical challenges we are facing requires strong support and solidarity from our IDA friends... we are aware that the pandemic left behind some unpleasant scars on all economies irrespective of their income status including the donor community.

"For us in Africa, apart from the threats of third wave of the pandemic and the lack of access to affordable vaccine in a timely manner, there is severe food crisis ravaging most of our countries and this has great implications on our human capital index. This is in addition to the ravaging impacts of climate change as evidenced in the Sahel, Lake Chad and Horn of Africa.

President Buhari noted that the region also faces massive infrastructural needs ranging from roads, rails and telecommunication networks that will support

efforts at joining the digital revolution in order to support the jobs creation efforts. The net effect of all these challenges has continued to manifest itself in fragility, forced displacement, increased poverty and hunger, which results in the raving migration.

Given the current lack of fiscal space and increasing debt vulnerabilities, addressing all these, according to him, requires a combination of political will, a fully reformed policy arena and a pool of concessional resources.

"We must continue to build partnerships and global solidarity especially with the most vulnerable population most of who are domiciled in Africa. The World Bank Group (WBG) and indeed the international community cannot afford to claim success in their mandates with Africa still left behind in almost every sphere of life.



# Capital Market: Finally, Oando Succumbs To SEC Regulatory Powers

Tony Tagbo

The legal fireworks between the Securities and Exchange Commission (SEC), and Oando Nigeria Plc, appear to have taken a dramatic dimension following the decision of the oil company to seek settlement out of court.

SEC, the capital market regulator, had in its letter dated May 31, 2019, slammed sanctions on the company, following investigations conducted pursuant to two petitions filed with the Commission in 2017.

The capital market regulator had hinged its action against Oando on what it termed "severe breaches of capital market regulations". This also led to suspension of Oando Plc Annual General Meeting (AGM) despite different judgments from court cases instituted by the energy firm.

But, penultimate week, Oando Plc entered into a settlement with SEC in the "overriding interest of the shareholders of the company and the capital market".

A signed circular released by the management of the SEC last week, had it that the company has reached a settlement with the Commission without accepting or denying liability, on the following terms amongst others: Immediate withdrawal of all legal actions filed by the company and all affected directors; payment of a monetary sum; and an undertaking by the company to implement corporate governance improvements.

The SEC had concluded investigation of Oando Plc and directed among others the resignation of the affected Board members, and also barred the Group Chief Executive Officer (GCEO) and the Deputy Group Chief Executive Officer (DGCEO) from being directors of public companies for a period of five years.

The Commission also directed the convening of an Extra-Ordinary General Meeting on or before July 1, 2019, to appoint new directors. These, among others, the SEC stated, are part of measures to address identified violations in the company.

According to SEC: "Following the receipt of two petitions by the Commission in 2017, investigations were conducted into the activities of Oando Plc (a company listed on the Nigerian and

Johannesburg Stock Exchanges).

"Certain infractions of Securities and other relevant laws were observed. The Commission further engaged Deloitte & Touche to conduct a forensic audit of the activities of Oando Plc.

"The general public is hereby notified of the conclusion of the investigations of Oando Plc. The findings from the report revealed serious infractions such as false disclosures, market abuses, misstatements in financial

***The Commission, as the apex regulator of the Nigerian capital market, maintains its zero tolerance to market infractions, and reiterates its commitment to ensuring the fairness, integrity, efficiency and transparency of the securities market, thereby strengthening investors' protection***

determination of the matter.

The order also restrained SEC and any other parties claiming through or working on behalf of the regulator from conducting any forensic audit into the affairs of the Company pending the hearing and determination of the matter.

The SEC had on Wednesday, October 18, 2017, issued a public notice stating, amongst other things, that it had issued a directive to the NSE for a full suspension in the trading of Oando shares for a period of

that a further prolonged period of litigation would have on the company's shareholders and the value of their investments as well as remedial measures to be put in place by the company in enhancing its corporate governance practices and strengthening its internal control environment.

In accepting the company's moves to settle the issue out of court, the Commission in a statement further reiterates its commitment to ensuring the fairness, transparency and integrity of the capital



● Oando PLC retail servicing station

statements, internal control failures, and corporate governance lapses stemming from poor board oversight, irregular approval of directors' remuneration, unjustified disbursements to directors and management of the company, related party transactions not conducted at arm's length, amongst others".

The SEC also directed the payment of monetary penalties by the company and affected individuals and directors, and refund of improperly disbursed remuneration by the affected Board members to the company.

As required under Section 304 of the Investments and Securities Act, (ISA) 2007, the Commission said it would refer all issues with possible criminality to the

appropriate criminal prosecuting authorities.

In addition, SEC stated that other aspects of the findings would be referred to the Nigerian Stock Exchange (NSE), Federal Inland Revenue Service (FIRS), and the Corporate Affairs Commission (CAC).

"The Commission is confident that with the implementation of the above directives and introduction of some remedial measures, such unwholesome practices by public companies would be significantly reduced.

"Therefore, in line with the federal government's resolve to build strong institutions, Boards of public companies are enjoined to properly perform their fiduciary duties as required under extant securities laws.

"The Commission, as the apex regulator of the Nigerian capital market, maintains its zero tolerance to market infractions, and reiterates its commitment to ensuring the fairness, integrity, efficiency and transparency of the securities market, thereby strengthening investors' protection", it added.

However, in a decisive response to the technical suspension of the trading of its shares and proposed forensic audit of the company's affairs, Oando Plc had fought back, obtaining an ex-parte order from the Federal High Court, to restrain the Nigerian Stock Exchange (NSE) and any other party working on their behalf from effecting the directive of SEC to implement a technical suspension of the shares of the company pending the hearing and

48 hours followed by a technical suspension until further directed and; announced that a forensic audit into the affairs of the Company be conducted by a team of independent professional firms.

Oando, in its official statement signed by its Chief Compliance Officer and Company Secretary, Ayotola Jagun, described the SEC's directives as illegal and invalid, and one calculated to prejudice the business of the company.

The company and some of its affected directors had challenged the said directives in a series of suits commenced at the Federal High Court. However, the company subsequently approached the Commission for a settlement of the matter, and both parties have now agreed to settle in consideration of the impact

market, while upholding its mandate to protect investors.

Part of the terms also requires the submission by the company of quarterly reports on its compliance with the terms of the Settlement Agreement; the Investments and Securities Act, 2007; the SEC Rules and Regulations; the National Code of Corporate Governance and the SEC Guidelines to the Code of Corporate Governance.

According to SEC: "Pursuant to the powers conferred on the Securities and Exchange Commission (the Commission) by the Investments and Securities Act 2007, and the Rules and Regulations made pursuant thereto, the Commission on Thursday, July 15, 2021, entered into a settlement with Oando Plc (the Company).





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# NEWS IN PICTURES



Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, with Hon. Stella Okotete, Executive Director, Business Development, Nexim Bank, during her visit to the Honourable Minister recently.



The Belgium Ambassador to Nigeria, His Excellency, Daniel Bertrand (right), Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed (middle), and Director IER, Hajia Aisha Omar, during the Ambassador's courtesy visit to the Honourable Minister.



Executive Secretary of PTAD, Dr. Chioma Ejikeme (2nd Left), with others, during the launch of PTAD's Service Charter recently in Abuja.



Her Excellency, Dr. Monique Nsanzabaganwa, Deputy Chairperson African Union Commission (right), during her courtesy visit to Honourable Minister of Finance Budget and National Planning, Mrs. Zainab Ahmed (middle), and Mallam Ailyu Ahmed, Permanent Secretary, Ministry of Finance, Budget and National Planning.



The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed (middle), flanked by Hon. Stella Okotete, Executive Director, Business Development, Nexim Bank, with the Honourable Minister's aides, during Okotete's visit to the Honourable Minister.



The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, with His Excellency, Dr. Solomon Momoh Christophe Gembah Sr., High Commissioner of the Republic of Sierra Leone to Nigeria, at her office recently.







# NDIC

Nigeria Deposit Insurance Corporation

Protecting your bank deposits

The Nigeria Deposit Insurance Corporation (NDIC) is an agency of government of the Federal Republic of Nigeria. It was established in 1988 and is responsible for administering deposit insurance in the country. It protects depositors and guarantees payment of insured funds in the event of failure of an insured licenced deposit-taking financial institution, thereby helping to maintain stability in the financial system.

The NDIC's Public Policy Objectives (PPOs) are: To Protect depositors by providing an orderly means of compensation in the event of failure of an insured financial institution; Enhance public confidence by providing a framework for the resolution and orderly exit of failing and failed financial institutions; and Contribute to financial system stability by making incidence of bank runs less likely. The NDIC had achieved these PPOs through the implementation of its following Mandates:

## DEPOSIT GUARANTEE

Insurance of deposit liabilities of licensed deposit-taking financial institutions (banks) and guaranteeing payment to a maximum amount as stipulated in the NDIC Act, in the event of failure of a licensed financial institution. Thus, the sum of N500,000.00 or US\$1,613 is paid to each depositor of Deposit Money Bank, Primary Mortgage Bank and Non-Interest Bank while the sum of N200,000.00 or US\$645 is paid to each depositor of a Micro-Finance Bank;

## BANK SUPERVISION

Supervision of banks to reduce the potential risk of failure, ensure effective payment system and healthy competition in the banking system; hence contributing to financial system stability;

## DISTRESS RESOLUTION

Provision of financial and technical assistance to failing or distressed eligible insured institutions, in the interest of depositors; and

## BANK LIQUIDATION

Orderly and efficient closure of failed institutions with minimal disruption to the banking and payment system.

NDIC's activities over the years had contributed to the development of the Nigerian economy through the promotion of soundness and safety of the banking system thereby enhancing confidence in the country's financial system.

More adult Nigerians now have access to formal financial services and are deriving numerous benefits through access to savings, credits, insurance and pension. NDIC, in collaboration with other Safety-net Players such as the Central Bank of Nigeria (CBN), has contributed to reducing the percentage of adult Nigerians that do not have access to financial services from 46.30% in 2010 to 39.50% in 2014 (EFInA Financial

“**ENGENDERING  
CONFIDENCE  
IN THE BANKING SYSTEM,  
PROMOTING  
FINANCIAL  
INCLUSION  
AND EXCELLENT IN  
CORPORATE SOCIAL  
RESPONSIBILITY  
ACTIVITIES TOWARDS  
SUSTAINABLE  
DEVELOPMENT  
IN NIGERIA**”

Inclusion Study, 2014) in line with the Financial Inclusion policy of the Federal Government.

NDIC is also involved in social and developmental endeavours. Over the years, it has supported many community-based projects. Most of the projects were in the areas of Education and Human Capital Development.

## OUR CORE MANDATES

- Deposit Guarantee
- Bank Supervision
- Distress Resolution
- Bank Liquidation



# CBN to Collaborate With NALDA, As Buhari Inaugurates First Farm Estate

Tony Tagbo

**T**he Buhari administration's commitment to agricultural development is beginning to yield dividends with the recent inauguration of the first National Agriculture Land Development Authority (NALDA) Integrated Farm Estate in Katsina State.

Located in Suduje, Daura Local Government Area of the State, President Muhammadu Buhari had, while inaugurating the Farm Estate, pledged that Nigeria, under his watch, will continue to achieve food security.

Reiterating that his administration remained committed to the goal of ensuring that Nigeria produces what the citizens

will eat, the President also restated his government's determination to get 100 million Nigerians out of poverty during his tenure.

While emphasising that the revamp of NALDA was geared towards encouraging integrated farming for employment and security, he also said his administration's target of getting 100 million Nigerians out of poverty remained realisable, adding that no excuse is good enough for Nigeria to remain a mono-economy.

The Governor of the Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, who was also present at the inauguration, said the bank would collaborate with NALDA to develop integrated farms across the country, provide affordable and accessible finance to farmers in



● President Buhari with R-L: CBN Governor Godwin Emefiele, Hon Consul Hungarian Embassy Mr. Deri Endre, Katsina State Governor Rt. Hon. Aminu Bello Masari, CEO NALDA Prince Paul Ikonne, and Kebbi State Governor Atiku Bagudu as he Commissioned the First National Agricultural Land Development Authority (NALDA) Integrated Farm Estate in Katsina State recently.

Nigeria's rural communities and provide jobs for its teeming population.

He noted that NALDA integrated farm estate would serve as an agricultural hub for inhabitants of the area with its wide-range of facilities to support rearing of poultry, goat and rabbit pens as well as fish ponds, crop farming areas, processing and packaging plants, storage, clinics, residential area, school, training centres, and an administrative facility.

Emefiele, therefore, expressed the CBN's readiness to work with NALDA to replicate similar integrated farm projects in rural communities in order to make life more meaningful for inhabitants of those areas through the provision of affordable and

*Cont. on page 17*

*Cont. from page 04*

## Executive Order 5: Launchpad For Economic...

This, he said, was because the focal point of Order 5 was a commitment to made-in-Nigeria, adding that if Nigerians failed to accept indigenous products, the MDAs were acting in vain.

"The MDAs have no choice but to comply with a presidential directive, and not only is this specified in Section 2 to 15 of the Order but section 11 on page 11 makes provisions for sanctions for noncompliance," he added.

He listed the benefits of Order 5 as embracing science, technology and innovation (STI), increasing the quantum of value created in the Nigerian economy and promoting made-in-Nigeria campaign. Also, it is to give preference to Nigerian companies and firms in the award of contract, support foreign companies who showed demonstrable and verifiable plan for indigenous capacity development and enable Nigerian companies to lead in any consultancy services, including joint venture relationships relating to law, engineering, ICT, architecture, procurement, and quantity surveying.

He also said that the MDAs would play a statutory role in processing approvals for expatriate quota, entry permits and visas into Nigeria and issuance of permits. Fashola emphasised that there was the need to curtail the abuse of the permits by Nigerians who would collude with foreigners even as he called on relevant professional institutions to bridge competency defects that would make Nigerians vulnerable to foreign

manpower. He was optimistic that localising production and consumption would cripple unemployment since demand would boost production and create jobs.

### MADE-IN-NIGERIA GOODS

Secretary to the Federation of Nigeria (SFG), Mr. Boss Mustapha, had stressed that Nigerians now use made-In-Nigeria products to attract benefits and increase GDP to actualise the Executive Order.

He noted that Nigerians now proudly use products made in the country and this will contribute to GDP growth, more employment opportunities and attract benefits to the nation. The SGF, who said this at the opening ceremony of the exhibition of 'Made-In-Nigeria' products and cultural display held at Eagle Square, Abuja, stated: "Nigerians now proudly use products branded 'Made-in-Nigeria.' This development will no doubt attract several benefits to the country, including increase in GDP, generation of employment opportunities and reduction in the cost of production.

Mr. Mustapha did say that the recent development of more than 12 indigenous mobile cell phones by the Model Skills Centre of the Industrial Training Fund (ITF) under the supervision of the Federal Ministry of Industry, Trade and Investments is a testimony to the strides the country is making in promoting Made-In-Nigeria products. The SGF noted that the

intervention of the federal government of Nigeria in developing local industries has resulted in a boom in the growth of local businesses.

"Local production of hitherto imported products is beginning to gain grounds that I make bold to say that the materials produced locally can compare favourably with the imported ones," Mr. Mustapha also stated. He further noted that the manufacturing sector remains a key determinant of economic development and its interphase with the needs of the country determines the extent of our industrial growth.

"Manufacturing is part of the economic sector in Nigeria that contributes approximately 10 percent of its GDP each year. The production activity centres on the production of household goods, consumer products, agriculture, mining, cement, building materials chemicals and so on," the lawyer stated.

He said it is instructive to note that three sectors, namely food & beverages, cement, and textile amount to 77 percent of the manufacturing output generating value in the country.

"The manufacturing sector in Nigeria has been performing well in recent years as compared to the past. The government is beginning to show greater interest and provide more support for local production in order to encourage the growth of local industries," noted the SGF.

According to him, the intervention of President Muhammadu Buhari-led administration in local production is being boosted

by encouraging local entrepreneurs to take advantage of the various policies geared towards diversifying the economy. Some of these include Executive Order 001 on Ease of Doing Business, review of the Companies and Allied Matters Act as well as the enactment of a Finance Act.

### EXECUTIVE ORDER 5 TO REDUCE CAPITAL FLIGHT

The Honourable Minister of Science and Technology, Dr. Ogonnaya Onu, would emphasise that the Executive Order will drive science and technology. He did say that the Executive Order on the planning and execution of projects; programmes and contracts with science, engineering and technology components approved by President Buhari was to reposition science and technology as a major driver of the nation's economic diversification process.

Dr. Onu, who disclosed this at a consultative meeting with the Directors-Generals of parastatals of the ministry in Abuja, said that the Executive Order also underscored the determination of President Buhari to utilise science and technology as the key instrument for realising the National Economic Recovery and Growth Plan (NERGP) 2017-2020.

According to the minister: "It shows the resolve of the present administration to use science, technology and innovation as the new vehicle that will drive Nigeria to a new dawn. This will help diversify the nation's

economy such that more jobs are created, poverty reduced, illiteracy eliminated with a remarkable improved standard of living for all citizens".

Speaking further, Dr. Onu said: "This is a very important step in the onward march of Nigeria towards developing the necessary local capacity needed for us to look inwards in our search for solutions to our numerous problems."

### COMMUNICATIONS

The Executive Vice Chairman/CEO, Nigerian Communications Commission (NCC), Professor Umar Danbatta, speaking on the Executive Order, has said that the telecommunications industry has been positioned to drive the economic diversification plan of federal government.

Professor Danbatta made this assertion in his presentation to Course 29 participants at the National Defence College, Nigeria.

Speaking on the theme, 'The Telecommunications Industry and National Development in Nigeria: The Roles of the NCC in Promoting Digital Economy', he stated that telecoms sector is the life-wire that will drive the National Digital Economy Policy and Strategy (NDEPS) of the federal government.

He noted that the sector plays a dual role in contributing to the GDP and being an enabler to other sectors of the economy. "Telecommunications is key to the diversification of the Nigerian economy, as the telecom sector played a dual

role of contributing to the GDP and being an enabler to other sectors of the economy."

He informed that the Commission remitted over N362.34 billion as revenue in five years to the federal government's consolidated revenue account. He listed fixed broadband Infrastructure gap, Right of Way (RoW), foreign exchange, vandalism of telecoms infrastructure, electric power supply, multiple taxations and regulations as some of the challenges bedevilling the industry.

On fixed broadband Infrastructure gap, Danbatta said that the Commission would bolster the existing fibre optic infrastructure across the country by 38,296 km through the infraCo project Initiative.

On RoW, he informed that the engagement with the Nigeria Governors Forum on the adoption of N145/m as RoW fees has yielded results in Kaduna, Katsina, Imo, Ekiti and Plateau State. He, therefore, urged other states governments to key into the success of the digital economy drive by reducing RoW fees and other charges targeting telecom service providers.

Professor Danbatta's presentation had delved into a range of issues, including the correlation between broadband and GDP, telecom contribution to national development, telecom investment trend in Nigeria, telecom contribution to digital economy, conceptualisation of digital economy, among others.



# Threat Of Hunger: Plans In Place To Tackle Food Scarcity

Felix Omoh-Asun

**A**cross the globe, food systems are under threat from the ongoing COVID-19 pandemic which has negative impact on nations' economies, healthcare systems and human capital gains.

Aside the negativity occasioned by the pandemic, Nigeria is further compounded by several challenges, including insecurity, spiral inflationary trend and low productivity.

How, the Honourable Minister of Finance, Budget and Planning, Mrs. Zainab Ahmed, said that the federal government was poised to protecting the economy through funding the country's human capital and healthcare needs.

Speaking at the

Regional Dialogue For Africans On The United Nations (UN) Transformation Of Global Food Systems Summit recently held at Agadir, Morocco, towards collective achievement of the Sustainable Development Goals (SDGs), the minister noted that Nigeria's priority remains protecting the economy and funding the country's human capital and healthcare needs.

She said the nation recognises investments in food systems to be an integral part of this process. According to her, Nigeria has hosted 40 dialogues at national, state and community levels; of which 25 were convened by the federal government, while 15 were independently convened.

"Our multi-sectoral multistakeholder approach has prioritized inclusion and engagement. In

addition to the exploratory/subnational dialogues, and in keeping with our goal to harness inputs and innovative solutions from a diversity of stakeholders, we have held targeted dialogues with the private sector; stakeholders in the agricultural value chain; women; youth; and (5) and rural communities.

"We are working towards short and long-term measures in line with the Five Action Trackers, aimed in part at delivering high incomes and reducing poverty among smallholder farmers; empowering women and youth to have greater access to food, production resources and processing inputs, greater involvement, in decision making and increased asset ownership; reducing the price of nutritious foods; the development of guidelines that educate the public on healthy diets and food



choices as well as formulation by industries; and the development and deployment of early warning systems for environment and socio-cultural shocks."

She emphasised that a consolidatory dialogue held in late June provided a platform to synthesize outcomes of all the exploratory dialogues

into medium and long-term intervention plans.

She stated further: "The Food Systems Dialogues are timely, and are providing key inputs for the next generation Medium-Term National Development Plans (MTNDP 2021 - 2025, 2026 - 2030), and Nigeria Agenda 2050, which are currently under development.

"Through these dialogues, we have identified challenges to our food systems; and recognized innovative sustainable pathways towards ending hunger and all forms of malnutrition in line with the SDGs. We look forward to continued engagement and to realising demonstrable outcomes."

## Zainab Ahmed tasks capital market on nation's economic growth

Felix Omoh-Asun

**T**he Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, would continue to do best what she knows, this time asking the capital market to brace up to drive the Nigeria's economy on all fronts.

At several fora, she would be up believing that the capital market is an enigma to unlocking the potentials in major sectors of the economy, with her opinion that if well-oiled, the capital market can take the nation to economic Eldorado.

Speaking on the viability of mining industry and its potentialities, to take the nation out of its economic woes, the Honourable Minister said the nation's capital market must seize the initiative to unhook the sector. She would emphasise that the capital market is crucial and capable of unlatching the potential of the Nigerian mining industry.

Mrs. Ahmed, who disclosed this recently at a webinar organised by the Securities and Exchange Commission (SEC) in collaboration with the Federal Ministry of Mines and Steel Development, described the capital market as a key catalyst for the development of the critical sectors of the economy, with a credible platform of obtaining medium to long-

term finance to grow mining sector.

According to her, the facilitation of funding and provision of structured market platforms such as the commodities exchanges portends significant addition for the mining and solid minerals sector. She said the mining sector is strategically based as an alternative source for revenue generation in the economic diversification plan of the federal government.

Ahmed noted: "The mining sector is strategically based as an alternative source for revenue generation in the economic diversification plan of the federal government of Nigeria.

"It also has the potential to create employment and develop rural settings for other benefits." She explained that the mineral export guidelines by the federal government were formulated to address the need to keep accurate mineral trade data. She said it was also to ensure effective monitoring of the evacuation of export proceeds, optimise the collection of royalties, and facilitate free shipment inspection policies.

She did express the ministry's support to ensure the overarching objectives of the federal government to develop the mineral potential. "The reality is that the nation stands to benefit more in an organised mining and solid mineral

extractive industry, and the capital market is here to contribute its quota," Mrs. Ahmed added.

Mrs. Ahmed said the initiative of employing the commodities exchange in this regard would encourage responsibility accounting and fairness to governance, facilitate the collection of all royalty and fees due to the government from the export of solid minerals sector, and ensure the integrity of the mining data, among other benefits.

She said the event and its theme were relevant to the economy given the need to diversify and grow the economy, and to enable the nation achieve sustainable development in the post COVID-19 pandemic era.

"The reality is that the nation stands to benefit more in an organised mining and solid mineral extractive industry and the capital market is here to contribute its quota. This webinar is a signal that with the appropriate collaboration amongst sectors, institutions, regulators and operators, we can exceed out targets sooner rather than later and Nigeria will reap huge benefits from such forums," she added.

Also speaking on March 11 at the SEC's yearly Budget Seminar on the theme: 'Financing Nigeria's Budget and Infrastructure Deficits through the Capital Market', the Honourable Minister tasked capital market operators on retail

investments to boost citizens' participation

Mrs. Ahmed had urged capital market participants and operators to consider retail investments to give opportunity to the Nigerian citizens to invest within the market in an easy and simple way. She at the virtual seminar said the market provided the government an opportunity to raise funds during the trying periods of last year when the economy was shutdown, following the outbreak of COVID-19 pandemic.

Past experiences have shown that the Nigerian capital market has been quite supportive in providing the necessary funds needed to finance government's needs, she stated.

She explained: "The capital market is a room for various programmes and mechanisms that are targeted at aggregating and channelling long term capital for businesses and development. The Nigerian capital market has been doing this for many decades and has the potentials to do more. I want to urge the capital market participants and operators to consider retail investments to give opportunity to the Nigerian citizens to invest within the capital market in an easy and simple way".

"This need is further underscored by the current global pandemic with its attendant negative effects on our daily

economic and social activities. In order to provide the necessary infrastructure and still continue to meet other immediate expenditure needs, government often adopts deficit budgets which have to be financed through borrowing.

"Nigeria needs to spend and spend now more on infrastructure and other capital projects. A recent evidence of the benefit of spending is the fourth quarter GDP growth rate of the economy which was 0.11 percent resulting in Nigeria pulling out of recession after two quarters of negative growth. This annual growth rate that was initially projected at -3.2 percent closed the year at -1.92 percent which is an improvement over most of the countries within our comparative groups.

On June 26, during a courtesy visit of the management of the NGX to the minister, led by its Chief Executive Officer, Mr Temi Popoola, Ahmed, for the umpteenth time called on the capital market to take the driver's seat in birthing a new dawn in the nation's economic policies.

She acknowledged the commitment of NGX's management, which culminated in the demutualisation of the exchange, advising the management to leverage technology and innovations which could ease the processes of trading on the exchange. She urged the NGX to ensure that ordinary citizens participated

actively in the capital market.

"The Federal Government had directed the Securities and Exchange Commission (SEC) to organise a saving policy and programme that would encourage citizens to participate actively in the capital market as a means of unlocking the potential. In another occasion, Ahmed identified capital market as key driver for economic growth. She said the importance of the capital market to Nigeria's economic growth cannot be overemphasised.

She advocated for its use, highlighting its capacity to lift majority of Nigerians out of poverty and turn their circumstances around. The Honourable Minister made this disclosure while addressing the audience at an investment and capital market conference in Abuja. "We want a vision for a future Nigeria where the majority of Nigerians have been sustainably lifted out of poverty and have access to fundamental services including education, health care, water supply and sanitation. A future where all are financially included, with affordable access to financial products and services. A future where we have left no one behind.

"Our capital market is crucial to actualising this future and to achieving the sustained, inclusive and equitable socio-economic growth that this government aims to achieve," she said.



# Near Term Inflation Outlook: Bleak Prognosis

**Prof. Uche Uwaleke**

The public holidays provide an opportunity to reflect on the capital market and economy in general. One macroeconomic indicator that readily comes to mind is inflation rate which is one of the most closely watched economic metric by investors.

A few days ago, the National Bureau of Statistics (NBS) reported a slowdown in headline inflation for the 3rd consecutive month with June inflation rate printing at 17.75 percent.

Although, still elevated and way higher than the CBN's upper band of nine percent, it was a continuation of the slowdown in headline inflation which began in April 2021.

Be that as it may, downside risks to inflation outlook suggest an end to the current disinflation soon. A reversal may kick-in as early as July.

Barring base effects, which apparently played a major role in the downward trend in view of successive high inflation rates of 2020, factors likely to cause a spike in inflation rate for July include increased demand witnessed during the festive period, devastating impact of flooding reported in parts of the country, increased Federation Account Allocation Committee (FAAC) distribution to tiers of government of circa N733 billion and high exchange rate.

All these, in addition to legacy issues such as insecurity, transportation bottlenecks, high fuel and electricity tariffs, will weigh on

commodity prices especially food in July.

Indeed, it is easy to predict the direction of prices (inflation, interest rates and exchange rates) in the coming months given already known exogenous and endogenous factors.

Last Sunday for example, OPEC+ Ministers agreed to increase oil supply with effect from August in addition to new output quota. Expectedly, basket crude oil prices fell on

extension inflation in Nigeria.

Back home, the passage of the Petroleum Industry Bill and consent of the National Economic Council for full deregulation of the downstream petroleum sector; fiscal surprises expected from the increase in FAAC distribution on account of naira devaluation and strong revenues especially from Petroleum Income Tax will all combine to influence

rates stability.

It goes without saying that growing fiscal imbalance following more borrowing headroom will knock-on interest rates and slow down equities market with portfolio rebalancing in favour of fixed income securities.

Without prejudice to likely impressive corporate results for H1 2021, a rebound in the stock market may take some time. Against this backdrop, the

**The way forward is to reduce the ability of government to engage in fiscal surprises by building buffers using federation account revenue in excess of N640 billion as earlier agreed to by members of FAAC**

exchange rate (naira devaluation) in pursuit of rates unification. This change in policy stance may happen as early as September or in November 2021 during the last scheduled meeting of the Monetary Policy Committee.

The way forward is to reduce the ability of government to engage in fiscal surprises by building buffers using federation account revenue in excess of N640 billion as earlier agreed to by members of FAAC.

Currently, Excess Crude Account (ECA) record is a paltry \$60.8 million which puts the country in a precarious situation in the event of another oil price shock.

Moreover, liquidity mop up operations undertaken by CBN often come at great costs.

As things stand now, it would appear that foreign loans should be preferred to domestic loans for the purpose of financing the capital component of the budget.

This is especially so if they are sourced from multilateral and bilateral windows considered largely concessional. Such must not include Eurobonds or commercial loans from the international capital market.

On balance, I think the uptake of more foreign

than domestic loans is better for the economy at this time without undermining the impact of currency risk.

In the first instance, it will provide temporary relief to external reserves attrition, balance of payment (BOP) position and forex market liquidity.

In contrast, continuous domestic borrowing by the government drives up interest rates and crowds out the private sector.

Worse still, using such proceeds to finance dollar-denominated capital components of the budget such as defence spending only draws blood from external reserves and weakens the ability of CBN to intervene in the market.

Little wonder, the country's foreign reserves is said to be depleting at a fast rate.

All said, inflation outlook in the near term is bleak. The 2021 budget projects inflation rate to come in at 11.95 percent by December. This is most unlikely- possibly sometime in 2022.

It bears repeating that given the major drivers of inflation in Nigeria, the government has a major role to play in line with the fiscal theory of the price level. This calls for a strong handshake between the fiscal and monetary authorities.

*Prof. Uwaleke is the Head of Banking and Finance Department, Nasarawa State University, Keffi.*



Monday by circa \$2 on average.

Across the globe, there are concerns over demand outlook amidst the spread of COVID'19 delta-variant.

In the US, vaccination progress at nearly 65 percent of the population is emboldening the Federal Reserve along the path of interest rates normalisation.

All these have grave implications for capital flows, exchange rates and by

inflation trajectory in the months to come.

Other factors include the approval of supplementary budget of nearly N1 trillion by the National Assembly chiefly for defence spending; the increase in government borrowing threshold by the debt management office (DMO) from 25 percent to 40 percent in relation to debt to GDP as well as the fast depletion in foreign reserves and its consequences for exchange

monetary policy committee (MPC) of CBN will likely hold rates again this month, perhaps for the last time this year.

With rising inflation and increasing pressure in the forex market, CBN may be arm-twisted into changing current accommodative monetary policy stance to rein-in inflation and stabilise exchange rates.

This may be accompanied by another upward adjustment in

*Cont. from page 15*

## CBN to Collaborate With NALDA ...

accessible finance to the beneficiaries under the integrated farm programme.

While commending Buhari's administration for resuscitating NALDA to optimally deliver on its mandate, the Governor noted that Nigeria's survival as a country was hinged on the resourcefulness and synergy among the government's ministries, departments and agencies (MDAs) in areas of policy formulation and implementation, which he emphasised was essential to the attainment of Nigeria's desired economic growth.

He also reiterated the CBN's readiness to partner with NALDA and explore the potential of providing affordable and accessible finance to the

beneficiaries under the integrated farm programme in order to scale up productivity and provide jobs for Nigerians. He also urged deposit money banks in the country to support the NALDA mandate, which he noted aligned with the developmental priorities of the CBN.

Speaking further, Emefiele reiterated that CBN, through the deployment of well targeted intervention programmes to farmers in the rural communities, was aiding the government's efforts at improving job and wealth creation.

"These measures are also supporting our nation's food security objectives. Nigeria is likely to make significant strides over the next three years in

repositioning our agricultural sector for greater growth, given the combined efforts of NALDA, and the CBN's in making land and credit available to farmers," he added.

The CBN Governor also emphasised the successes of the Bank through specific interventions such as the Anchor Borrowers' Programme (ABP), Accelerated Agriculture Development Scheme (AADS) and the Private Sector-led Accelerated Agriculture Development Scheme (p-AADS), the Agri/Business Small and Medium Enterprise

Investment Scheme (AgSMEIS) and the Targeted Credit Facility (TCF), all of which he noted were aimed at stimulating investments in critical

sectors and segments of the economy, particularly those with high-growth impact and high employment potential.

Continuing, the Governor said the measures taken by the administration had provided finance to key sectors and segments, with their implementation tailored to support the administration's policy of repositioning Nigeria to become a self-sufficient food producer, creating millions of jobs and supplying the domestic industries with their raw material needs.

"Our development finance efforts were also driven by the need to diversify the economy by reversing the ugly trend of relying largely on revenues from crude oil," Emefiele said, adding that the CBN was also positioned to

ensure the integration of rural farmers into the federal government's Economic Sustainability Plan, which is focused on providing five million homes with electricity using renewable energy.

In his remarks, the host-Governor, Hon. Bello Masari, and his Kebbi State counterpart, Abubakar Atiku Bagudu, lauded the commitment of Buhari's administration in boosting agriculture to enhance food security and employment.

Earlier in his welcome remarks, the Executive Secretary of NALDA, Prince Paul Ikonne, disclosed that the Integrated Farm Estate, comprising comprises 40 poultry pens with a capacity of over 400,000 birds, Fish ponds with a capacity of 200,000 fish, Cow and Goat pens with a capacity of 500

animals, rabbit pens with a capacity of 3,000 rabbits, bee apiary with a capacity of 540 litres of honey per harvest, crop farming, among others, is expected to generate over N1.7 billion in the first year.

Established in 1992, NALDA which is under the Presidency, went into extinction in 2000. The agency is saddled with the mandate of harnessing the full potentials of the vast arable lands in Nigeria, empowering small holder and large scale and mechanised farmers.

It also supports the drive for Food and Fibre security while assisting in diversifying the nation's economy, improving household incomes and enhancing revenue mobilisation and generation nationwide.





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# PTAD PAYMENT PROCESS

**We are always improving  
our service to pensioners**

Due to complaints about late payments we seek to explain our payment process to all pensioners.

**These are the steps**



**#1**

PTAD carries out biometric verification of pensioners and computes a payroll approved by the Executive secretary on or before the 15th of every month.



**#2**

Payroll is uploaded into GIFMIS payment system managed by the office of the Accountant general.



**#3**

CBN releases the funds required for the payments to the OAGF.



**#4**

After these steps pensioners will receive their due payments on or before the 25th of every month.



## Delayed Payment to Pensioners are due to

- Technical glitches, scheduling of payments in the office of the accountant general and delay of funds from the CBN.
- The executive secretary has raised the issue with the accountant general to ensure pensioners and given priority when funds are available

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If you need any information on your pension, call PTAD toll free on;

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# PTAD Receives £26.5mn Repatriated Pension Funds From Crown Agents Investment Management

## ● As PTAD Launches Service Charter For Improved Service Delivery

**T**he Pension Transitional Arrangement Directorate (PTAD) has received the sum of £26,505,862.97 repatriated from the United Kingdom (UK).

The pension funds had hitherto been under investment with Crown Agents Investment Management Limited, UK. In retrospect, when PTAD was created, the agency was empowered by its establishment Act to inherit the assets and liabilities of the defunct pension offices. The Directorate had earlier succeeded in recovering the sum of £1 million that was held in pension investment for the expatriate pensioners of the Nigerian Railway Corporation (NRC) by CAIM, when the last beneficiary of the scheme died.

This achievement prompted President Muhammadu Buhari to approve the transfer of the Federal Civil Service Pension Funds and the Cocoa Research Institute Funds to PTAD, when the Directorate reported its findings to the President. The approval was conveyed to PTAD through the Honourable Minister of Finance, Budget and National Planning, Mrs. (DR.) Zainab Ahmed, who immediately directed the constitution of a negotiating team comprising of officials of PTAD and the Office of the Accountant-General of the Federation (OAGF) to facilitate the transfer of the funds as approved by the President.

The negotiation, which was approved and directed by the Honourable Minister, lasted for over two years.

According to the Executive Secretary, Dr. Chioma Ejikeme, the repatriation of the funds was made possible by the approval of President Muhammadu Buhari after a series of meetings between PTAD management, Office of the Accountant-General of the Federation (OAGF) and the Crown Agents Investment Management Limited, UK.

Dr. Ejikeme disclosed that the President's approval conveyed by the Honourable Minister was given on 4th April 2019.

Subsequent to Mr. President's consent, Mrs. Ahmed approved the commencement of various engagements between officials of PTAD, the OAGF and CAIM to facilitate the smooth transfer of the funds to PTAD.

In the words of Mrs. Ejikeme: "After exhaustive negotiations over a period of two years, I am glad to inform the Honourable Minister that the FCSF and CRIF accounts have now been closed and the proceeds have been transferred to the nominated Central Bank of Nigeria (CBN) British Pound Sterling (GBP) Account domiciled with JP Morgan Chase London.

"The total amount transferred is £26,505,862.97 and is decomposed as follows: The sum of £16,052,002.40 was transferred from the closed Nigeria Cocoa Research

Funds; and the sum of £10,453,860.57 was transferred from the Federal Civil Service Funds.

According to Mrs. Ejikeme, "This amount will eventually be utilised to defray outstanding pension liabilities and to meet other associated expenses as may be approved by the Honourable Minister of Finance.

"The Directorate will issue a mandate to CBN to monetise the amount and transfer same into its e-Recovery account domiciled with the bank. However, as these are pension funds, we crave the indulgence of the Honourable Minister of Finance to prevail on CBN to waive any charges that may be associated with providing those services," Ejikeme stated.

Dr. Ejikeme also said that the funds would be used to settle part of the accrued arrears owed to its pensioners worth over N120billion. She further said that the funds "is indeed a very happy and welcome development for our senior citizens and it represents another demonstration of the importance that President Buhari led federal government places on the welfare of pensioners.

In another development, PTAD has launched its service charter to serve as an internal policy to guide both staff and pensioners on the standards of their service delivery.

Dr. Ejikeme, disclosed this in Abuja during the launch.



● Executive Secretary of PTAD, Dr. Chioma Ejikeme

She said that the service charter was to simply communicate the service promise and expected service delivery standards.

According to her: "In PTAD, we commit to ensuring the integrity of the Defined Benefits Pension administration system so that pensioners are rest assured that their entitlements will be processed and paid accurately, fully and on time".

The charter mandated all relevant departments and units to resolve all complaints from pensioners within four to 16 days. It also sets a maximum timeline of five days for response on general information requests; response to requests for information on pension computation, from pension

departments and update of pensioners change requests to their profile and documents.

Speaking at the event, the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, commended PTAD for the innovative initiative policy.

Mrs. Ahmed, who was represented by, Mr. Pever Iongo, said that pensioners deserve a dignified treatment, and urged the Directorate to continue with their good work.

She stressed: "The policy will give the public what to expect as well as educate them on their rights. It is also crucial for the staff to comply with the charter, and international best practices should be adhered to dealing with

pensioners."

Mrs. Nnenna Akajemeli, National Coordinator Service Compact with all Nigerians (SERVICOM), in her remarks, commended PTAD for doing a good job in view of quality service delivery to the pensioners and other stakeholders.

She noted that SERVICOM encourages open and transparent processes in every organisation, and that there is need to train staff on the implementation of the charter service, and also on charter service communicates standard.

In the opinion of the SERVICOM boss, "The official launch/presentation of PTAD's Service Charter today marks a significant step towards service improvement in the Directorate".

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# How Infrastructural Development Can Push Nigerian Economic Growth, Big Revenue Yield

**Fatima Bintu Yusuf**

Nigeria's infrastructure deficit has been one of the biggest factors militating against growth, development and good revenue yield. Last November, Moody's Investors Service estimated that the country's financing shortfall for infrastructure will be a staggering \$3 trillion over the next 30 years.

But, the problem of infrastructural development goes beyond funding. It is on record that billions of naira has been sunk into infrastructural projects that have failed to see the light of day or have been abandoned after construction has been initiated as a result of weak institutions, lack of accountability and policy inconsistency across different administrations. The situation is compounded by graft among others.

Analysts say the value of Nigeria's total infrastructure stock represents only 35percent of gross domestic product (GDP), significantly below that of South Africa (87 percent of GDP), and the emerging economy average of 70 percent, according to the country's Debt Management Office (DMO).

The World Economic Forum's 2019 Global Competitiveness Index ranked Nigeria 116 out of 141 countries, largely due to the poor state of its infrastructure. The situation is dire in most cities but worse in rural areas where more than half of Nigeria's population resides.

In fact, for a society to make progress in revenue generation, the development of infrastructure and monitoring system in place are daring options. That is, there must be bold and deliberate step towards investing massively in infrastructural development and a zero tolerance for abandonment of projects. This is because a nation's revenue measures up to its infrastructural development.

However, financing Nigeria's infrastructure gap presents a formidable challenge. The World Bank estimates it will require approximately US\$110 billion, approximately \$20billion for power, \$16billion for rail, \$14billion for roads,

and \$60billion for oil and gas. Even considering this optimistically, Nigeria will not have adequate resources and public savings to meet the needs.

This is where channelling private capital through public-private partnerships (PPPs) becomes an option.

The Hon. Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, has on several occasions called for this mode to fund critical sectors of the economy. According to her, collective efforts of the public and private sectors in Nigeria will hasten the growth of the nation.

She, who said this at the 25th Nigerian Economic Summit in Abuja, held under the theme: 'Nigeria 2050: Shifting Gears', had acknowledged the crucial role of the private sector in economic development, saying its collaboration with the public sector would bring to reality, by 2050, the kind of future that Nigerians crave. "This future will require comprehensive targeted reforms, tough decisions, a radical shift in the current culture, including attitudes towards taxes and public finance," she said.

It is her place that the future requires huge financial investments in multi-faceted physical and social areas by the federal, state and local governments for provision of useful amenities. "Additionally, we must be in a position to provide digital connectivity and innovation, and rise above the tide of disruption that the Fourth Industrial Revolution will bring," she said.

This indeed will go a long way in helping to bridge the shortfall, as well as improving revenue collection by applying private sector discipline. Apart from making it possible to attract investment in infrastructure, PPP will also help to generate a better economic climate for international and local businesses, nay individual Nigerians to the benefit of the government in revenue generation.

This will, therefore, not be farther from the truth that the size of revenue that government generates is influenced by its level of resources and economic involvement. Effective stability of revenue will also



● Kano-Katsina road construction [Photo credit: BusinessDay]

require government to establish different revenue generating schemes and strengthen its involvement in economic activities.

On one hand, government operates on an increasingly complex environment - in a world characterised by macroeconomic uncertainty, rapid social change, and technological innovation, citizen's expectations of what government ought to deliver is rising - on the other hand, government is burdened with unsustainable debts and shrinking budgets.

Prior to the commencement of value added tax (VAT), the three tiers of government in Nigeria relied heavily on their share of federally allocated revenue which in turn depended on the revenue from crude oil and development in the international petroleum market regulated by Organisation for petroleum Exporting Countries (OPEC), without a thought to establishing projects to generate revenue.

The one-way revenue generation has had serious implications for government finances. Hence, government revenue had been unstable- showing poor delivery of services. The state and local government have had to improve their revenue by implementing various kinds of levies.

The good news is that government can deliver the performance their citizen needs and expectations through generation of revenue to meet their needs by investing in critical sectors of the economy.

On 29 March,

President Buhari announced 'The Decade of Gas', an initiative designed to ensure Africa's biggest oil producer can take advantage of the global energy transition.

The launch comes just as the government with the National Assembly passing into law the long-awaited Petroleum Industry Bill - that could see the biggest transformation of Nigeria's energy industry in decades.

"When we declared 2020 as 'The Year of Gas' in Nigeria, it was a bold statement to demonstrate our administration's resolve that gas development and utilisation should be a national priority. Now, we are going a step further to dedicate this decade to industrialising Nigeria using gas," Buhari said March 29, 2021.

The initiative makes clear; many now could believe that Nigeria's largely untapped, natural gas resources could provide

the means for the country to fund its way through the global energy transition.

Another of this administration's major efforts to wake another critical sector in the nation's quest for investment in infrastructure is the Ajaokuta-Kaduna-Kano natural gas pipeline set for completion in 2023. Spearheaded by the government and funded by China's Belt and Road Initiative, the government hopes it will connect the country's gas supply to other planned trans-regional and intercontinental pipelines, such as the trans-Saharan gas pipeline, in order to open up access to Europe.

Lack of infrastructure has historically hampered the Nigerian energy sector, and represents a crucial reason why its gas reserves have been untapped for so long. This pipeline project could fundamentally alter the calculus, and also help the country meet its growing

electricity needs in a cleaner, more sustainable manner.

Expanding the national power grid, and the interconnection of local, regional and national power generation will also be key. Without a full-scale national power grid, the exponential impact of renewables and natural gas-fuel power generation will not be possible. Additional power generation projects will also need to be put in place, so as not to burden the current grid.

Such investments will be crucial in moving the sector towards gas and more revenue for the government. President Buhari indeed has demonstrated within his six years in the saddle that a powerful vision pulls in ideas, people and other resources, despite the tough challenges. Powerful vision creates the energy and will to make change happen. It inspires individuals, diverse stakeholders, partnering organisations and institutions to commit, to persist and to give their best. Cut to the bone, this is the game-changing story of the focused turning around of Nigeria's extreme infrastructure deficit by the President - a scenario that could change the fortune of the country. Nigeria's government stepped up a drive to improve its decrepit infrastructure with a series of billion dollar projects.

In March this year the government broke ground on a \$2billion internationally-funded rail line connecting the country's north to neighbouring Niger, and announced it was forming Infracore, a public-private infrastructure fund with N1trillion (\$2.6billion) in seed capital from the Central Bank of Nigeria (CBN), Nigeria Sovereign Investment Authority (NSIA) and the Africa Finance Corporation (AFC), a mostly privately owned pan-African project finance firm.

Also, work is ongoing on a \$3billion railway line that would link the country's East side, from oil-rich Port Harcourt in the South to Maiduguri in the North.

"The President is trying to grow all the sectors of the economy that would improve and increase production - he is focusing on power, roads, transportation, and rail networks and maritime," said Minister of Transport, Rotimi Amaechi.

**Now, we are going a step further to dedicate this decade to industrialising Nigeria using gas...**



# How NAICOM Is Shaping A Robust, Effective Insurance Sector For Nigeria

*The National Insurance Commission (NAICOM) which is saddled with the responsibility of regulating the insurance industry has unveiled a number of strategies aimed at transforming the industry for more efficiency. Correspondent, MUSA IBRAHIM, examines how these giant strides will transform the sector under the leadership of Mr. Sunday Thomas.*

**T**he destruction of properties and business as a result of the EnSars protest in October 2020 dealt a huge blow for the insurance industry as insurance companies have been inundated with claims repayment over that period. In fact, the Nigerian Insurers Association (NIA) has said that insurance companies in the country paid N4 billion as claims arising from over 2,000 businesses affected by the #EndSARS protests.

The Chairman, NIA, Ganiyu Musa, who disclosed this recently stated that operators are still collating claims and that every genuine claim would be settled.

"The number of insured businesses that were affected at the last count was about 2,000 insured losses and the industry has settled N4 billion claims out of N4.5 billion in respect of the #EndSARS protests.

"Once they are documented and completed, we commit our members that the claims will be paid timely," he said.

He stressed the association was on top of the development and would continue to encourage its members to pay all genuine claims in line with the policies.

However, the National Insurance Commission (NAICOM) as the regulator of the sector had stated that implementation of the Risk Based Supervision (RBS) policy will go a long way in ensuring a safer and sound insurance industry.

The Commissioner for Insurance, Mr. Sunday Thomas declared that the policy will take off in the next two months.

He stated this at a workshop organized by NAICOM for Insurance journalists which held in Lagos recently.

He said "The relevant persons have been trained, the necessary skills have been acquired and the instruments that will enable the implementation have been development, what is left is to do the finishing touches for the take off."

The Policy is an upgrade from a compliance-based model of supervision to that of risk-based supervision (RBS) in 2017.

The RBS is a system in which the supervising authority allocates time and resources to firms based on the level of risk inherent to their balance sheet.

The supervisor assesses systemic risk that affects the industry as a whole, and then analyses the level of risk specific to each firm. It takes a holistic approach, and studies the business units within the enterprise, each of which may carry varying levels of risk.

The transition process, which has been in place since 2015, will allow NAICOM to determine capital requirements for individual insurance companies based on the risk they carry in their portfolios instead of applying the same minimum standards across the industry. The commission released a set of draft guidelines for feedback in November 2016 and gave the industry four weeks to submit comments.

Enterprise risk management and code of corporate governance guidelines were among those released by NAICOM in May 2017, with mandatory training for insurance company directors to follow. In preparation of the industry-wide rollout, NAICOM conducted a verification exercise of capital resources during the first quarter of 2017 – the first step in assessing the level of risk of the country's 56 insurance firms.

The Commission at the conference also said the NAICOM Insurance Academy will take off by the beginning of fourth quarter. Thomas, said that the Commission is conscious of the fact that insurance sector is a knowledge bases sector, they are working hard to assist in the development of Actuarial programs in higher institutions.

Speaking on the need for compulsory insurance, Mr. Thomas stated that NAICOM is working hand in hand with relevant agencies like the ministry of transport and the transport unions to ensure compulsory insurance for

motor vehicle and road owners.

"We had a meeting with the minsiter of transportation and we are developing a plan for compulsory insurance for our road users.

"We are also synergizing with the National Road Safety Corps in that regard.

"Also we have had meetings with the federal government to see how we can implement compulsory insurance for civil servants especially the group life assurance," he further explained.

Recalled that the Federal Executive Council (FEC) approved the N9.2 billion to be paid to insurance companies underwriting its 2021 to 2022 group life insurance for public employees.

The Minister of Information and Culture, Lai Mohammed, disclosed this, while briefing journalists at the State House yesterday.

He said the premium paid would cover a period of 12 months and would cover public servants, para-military, and the intelligence committee.

The total amount approved by the FEC was N9,248,995,907 and runs from 2021-2022.

"On behalf of the Head of Civil Service of the Federation, I will like to report that council today approved the award of contract for the appointment of insurance companies for group life assurance for federal government employees, public servants, para-military and the intelligence community for the year 2021-2022 in the sum of N9,248,995,907.

"This premium is for a period of 12 months. This is part of the government's welfare programme for our public employees so that in case of death, they are assured that there would be



compensation," he said.

## NEW STRATEGIC PLAN 2021-2023

As the Commissions strategic plan elapsed on December 31st 2020, it rolled out a new three year plan which is aimed at improving digital operations and fighting corruption in the industry.

Recalled that NAICOM had in 2016 set out a strategic plan which ran for four years and ended in 2020.

Presenting his paper titled 'Corporate Strategy of the Commission 2021-2023: Goals, Objectives and Deliverables,' Head, Strategy and Special Duties, Mr Usman Jankara stated that the strategic plan are hinged on Five Goals which includes Ensuring that public interest and policy holders are adequately protected, Entrench effective and efficient deliverables, ensuring safe and sound Insurance sector, Improve Trust and Encouraging innovation and promote Insurance market development.

On Improving Trust and Confidence in the Insurance sector, he said market conduct failures, ineffective complaints and grievance management, challenges with distressed insurers, and unethical practices and money laundering have all negatively impacted trust in the industry.

However he assured that the commission is set to institute good market conduct in the Nigerian insurance industry and ensuring fair complaint/grievance management system.

Jankara stated that lack of understanding and awareness, fake insurance, poor market conduct and claims practices, insolvency and cumbersome liquidation processes to mention but a few expose

policyholders to unsavoury experiences with insurers 'We will ensure protection of policyholders and public,' he assured.

On ensuring that public interest and policy holders are adequately protected he said commission is Promoting improvement in policyholders protection scheme and better utilization of the Security & Insurance Development Fund to enhance policyholders' protection against insolvent/distressed insurers.

"Enhancing enforcement of market conduct rules and monitoring degree of customers' satisfaction, Ensuring that government assets and liabilities are adequately insured," he said. On Encouraging innovation and promote Insurance market development, he said that high rate of innovative technology adoption will impact the future of the insurance industry. Rate based competition drive premiums down to the extent that risk of unfulfilled contractual obligation becomes reality.

However he said that the commission facilitating innovative and competitive practices in the industry through regulatory sandbox, service-based competition, Facilitating attainment of the National Financial Inclusion target and access to insurance through alternative distribution channels and implementing Principles for Sustainable Insurance and facilitating regional integration of West African insurance market

On implementation of the plan he said, "the implementation matrix has been developed and approved, the Corporate Strategy and Special Duties Department will monitor and evaluate progress towards the plan and will

periodically appraise the progress made by Departments and Units in the course of implementation of the plan."

"The indices for measuring success already included under each of the Strategic Goals will provide the basis for monitoring progress and to ensuring that we are on track to successfully implement the plan." He said.

Similarly, the head of IT, NAICOM, Abiodun Aribike while presenting a paper titled 'NAICOM's Digital Transformation, Progress So Far' describe digital transformation as bringing effectiveness, efficiency, cost reduction in the way things are done.

According to him, this means replacing manuals digitally to ensure time saving and encourage innovation.

## INSURANCE ACT AMENDMENT KEY TO SUCCESS OF INDUSTRY

Analyst and insurance operators believe that the policies rolled out by NAICOM will go a long way to drive the Commission's mandate of delivering a functional insurance sector in line with global standards.

They however believe that to make it faster, recapitalization must be done and the Insurance Act amendment must be completed.

Buttressing the point, Mr. Ganiyu Musa, NIA President stated that the Consolidated Insurance Act 2020, would align the industry with the global best practices and promote insurance business in the country, noting that the current insurance legislation was outdated, thereby making it impossible to operate efficiently.

**Enhancing enforcement of market conduct rules and monitoring degree of customers' satisfaction, Ensuring that government assets and liabilities are adequately insured**





## Federal Ministry of Finance, Budget and National Planning

# OVERVIEW OF NATIONAL VEHICLE REGISTRY (VREG)



### INTRODUCTION

- 1.1 The National Vehicle Registry (VREG) is a National repository of vehicular information that seeks to provide a singular platform through which all relevant Agencies, Organisations and individuals shall reference vehicular Data through their unique Vehicle Identification Numbers (VIN). The registry stores detailed vehicular information such as specifications, duty payment, ownership, and history, of every vehicle in Nigeria.
- 1.2 The Federal Ministry of Finance, Budget and National Planning, in line with the Strategic Revenue Growth Initiative, launched the VREG automated Gateway Portal as a means to leverage on technology infrastructure to maximize revenue generation for Nigeria, plug revenue leakages, revitalize the economy, improve access to credit, enhance economic planning as well as provide effective solution to the menaces of customs duty evasion, vehicle theft, vehicle-related crimes, and ineffective vehicle insurance coverage, among others, owing to the absence of a centralized nationwide vehicular information system.

### VREG PLATFORM

- 2.1 The VREG platform will be connected to multiple global VIN databases and vehicle history repositories for the robust selection and storage of vehicular data of all vehicles entering into the country.
- 2.2 The integration of VREG to multiple stakeholders' databases such as Nigeria Customs Service, Motor Vehicle Administration Agencies, National Insurance Commission, Central Bank of Nigeria (National Collateral Registry), Nigeria Police Force & Federal Road Safety Corps will provide real-time duty payment validation, vehicle ownership documentation, vehicle insurance validation, vehicular asset assessment for credit facilities, and vehicle history reporting.

### VREG FEATURES

- 3.1 VIN Verification
  - i. Provides information on validity of a VIN
  - ii. Provides information VIN registration status on VREG Portal
  - iii. Provides basic details of vehicle
- 3.2 VIN Registration
  - i. VIN registration is the enrolment of VIN on the National Vehicle Registry against a valid owner's TIN.
  - ii. A successful VREG registration results in the generation of a VREG certificate
  - iii. The VREG certificate is utilized in vehicle clearance and VIN verification procedures.
- 3.3 VIN Transfer
  - i. VIN transfer facilitates the transfer of VREG certificate ownership from one party to another in two simple steps:
    - VIN Transfer Initiation
    - VIN Transfer Activation
- 3.4 VEHICLE LIFE CYCLE MANAGEMENT  
VREG continually tracks and updates key components of a vehicle life cycle in a comprehensive history report.

### BENEFITS OF VREG

- 4.1 The National Vehicle Registry portends a wide array of benefits for the citizens of Nigeria, through stakeholder interconnectivity. Some of these benefits include:
  - a. The availability of a robust vehicular information database to better inform fiscal policy formulation and economic planning for the Federal Government.
  - b. Increased internal revenue from the vehicle ecosystem for the State Governments.

- c. Nigerian Customs Duty clearance verification, to boost anti-smuggling efforts of the Nigeria Customs Service.
- d. Reduction in vehicle-related crimes and theft through improved vehicle information and tracking.
- e. Improved road and road user safety from enhanced vehicle road-worthiness and traffic regulation compliance.
- f. Robust and effective vehicle insurance coverage to be sustained by comprehensive vehicular information.
- g. The supplementation of the National Collateral Registry for Nigerians by virtue of standardized vehicle information stored on the National Vehicle Registry.

### DEPLOYMENT STRATEGY (PHASED APPROACH)

- 5.1 The deployment approach will include
  - a. Integration with NCS (VIN registration of imported vehicles)
  - b. Integration with VIO, FRSC, NPF, NAICOM, CBN, ONSA (VIN registration of existing road worthy vehicles)
  - c. Moratorium period
  - d. Enforcement

**All vehicle owners in the country are simply required to register their vehicle using their Vehicle Identification Number (VIN) on the VREG portal. The portal is accessible via [www.vreg.gov.ng](http://www.vreg.gov.ng). Additional information on VREG is available on the VREG YouTube channel.**

**SIGNED**  
**ALIYU AHMED**  
**PERMANENT SECRETARY, FINANCE.**

## SENSITIZATION SEMINAR ON NATIONAL VEHICLE REGISTRATION (VREG) POLICY

### THEME: Understanding the VREG Processing

### PROGRAMME OF EVENT

Time	Item	Facilitator
09:00 – 10:00 am	Registration	All
10:00 – 10:10 am	Recognition of key officials	MC
10:10 – 10:20 am	Opening Address by Permanent Secretary, Federal Ministry of Finance Budget & National Planning	Permanent Secretary Finance (Mr. Aliyu Ahmed)
10:20 – 10:30 am	Goodwill Message	Executive Governor
10:30 – 10:40 am	Keynote Address by Honourable Minister of Finance, Budget and National Planning	Honourable Minister of Finance, Budget & National Planning (Mrs. (Dr.) Zainab Shamsuna Ahmed)
10:40 – 11:00 am	Group Photograph	On invitation by the MC
11:00 – 11:20 am	Refreshment	All
11:20 – 11:50 am	Presentation on Registration Process at importation	FourCore Technology Solution Ltd.
11:50 – 12:20 pm	Demonstration on Registration of existing vehicles	FourCore Technology Solution Ltd.
12:20 – 12:50 pm	Vehicle transfer process	FourCore Technology Solution Ltd.
12:50 – 01:50 pm	Questions and Answers	All

1.	Wednesday	28 <sup>th</sup> July, 2021	Nigeria Customs Service Training College Auditorium, Ikeja, Lagos State
2.	Friday	30 <sup>th</sup> July, 2021	School of Health Technology, Dr. Ani Auditorium, Mary Sclessor Avenue, Calabar, Cross River State.
3.	Tuesday	3 <sup>rd</sup> August, 2021	Grand Central Hotel, Bombai Road, Kano, Kano State.
4.	Thursday	5 <sup>th</sup> August, 2021	Command Guest House, Ningi road, Bauchi, Bauchi State.
5.	Monday	9 <sup>th</sup> August, 2021	Archbishop C. J Patterson Auditorium, (Royal Hall), All Saints Cathedral, Onitsha, Anambra State.
6.	Thursday	12 <sup>th</sup> August, 2021	FMFBNP Main Auditorium, Abuja





Federal Ministry of  
Finance, Budget and  
National Planning



# NATIONAL VEHICLE REGISTRY (VREG)

## PRESENTATION OUTLINE



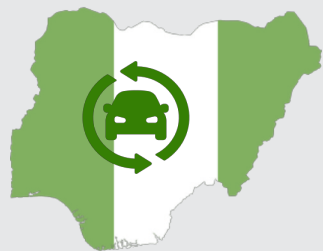
- INTRODUCTION
- THE SOLUTION: VREG
- HOW WILL VREG WORK
- VREG : THE BIG PICTURE
- VREG FOR STAKEHOLDERS
- NEXT STEPS

## INTRODUCTION



- Nigeria is the largest importer of vehicles in Africa
- Nigeria has 11M+ Vehicles (NBS, 2018)
- Lack of :
  - synergy among key players in the motor vehicle administration subsector.
  - A centralized nationwide vehicular information system
- This has sustained the menaces of:
  - revenue leakages
  - customs duty evasion,
  - vehicle theft & vehicle-related crimes
  - Road traffic regulation enforcement
  - ineffective vehicle insurance coverage,

## THE SOLUTION : VREG



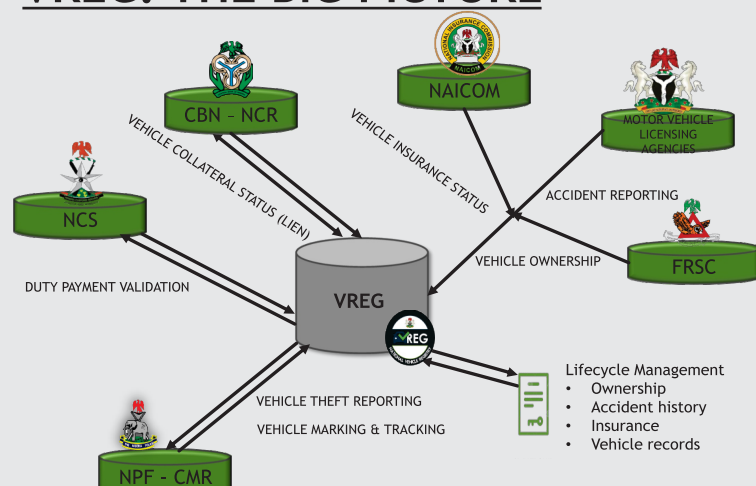
- VREG is a national repository of vehicular information using the unique vehicle identification number (VIN) for all vehicles in Nigeria.
- VREG was approved by FEC and domiciled in FMFBNP to serve as a unified source of truth for vehicular information in the country.

## HOW WILL VREG WORK



- The VREG platform is connected to multiple global VIN databases and vehicle history repositories for the robust curation and storage of vehicular data of all vehicles entering into and within the country.
- All vehicle owners in the country are to register their vehicle via the unique Vehicle Identification Number on the VREG portal.
- This portal is accessible via [www.vreg.gov.ng](http://www.vreg.gov.ng)

## VREG: THE BIG PICTURE



## VREG FOR ECONOMIC GROWTH



- Increased Revenue Generation
- Plugging Revenue Leakages
- Economic Revitalization
- Improved access to credit
- Economic Planning

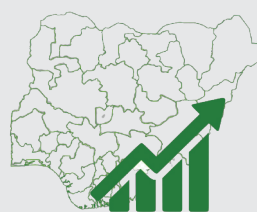
## VREG FOR MOTOR VEHICLE ADMINISTRATION



- Improved road and road user safety
- Enhanced vehicle road worthiness
- Improved traffic regulation enforcement and compliance
- Robust Vehicle and Traffic information database

## VREG FOR STATE REVENUE SYSTEMS

(Boards of Internal Revenue, Vehicle Licensing Agencies, FIRS)



- Increased internal revenue
- Vehicle commerce
- Taxation
- Road traffic violation enforcement
- Vehicle Registration Compliance

## VREG FOR NIGERIA CUSTOMS



NIGERIA  
CUSTOMS  
SERVICE

- Reinforcement of anti smuggling efforts
- Duty payment validation
- Curbed duty evasion
- Increased revenue generation from enhanced duty collection

## VREG FOR NATIONAL SECURITY



- Reduction in vehicle related crimes and theft through improved vehicle information and tracking
- Registration of vehicles in transit
- VIN Individual mapping
- VREG VIN markers for stolen, hot listed, etc vehicles

## VREG FOR INSURANCE



- CIMS Central Insurance Management System
  - System for the aggregation of all insurance policies containing quotes to eliminate one size fits all
  - Centralized database aggregating driver vehicle information nationwide to inform insurance policy decisions
- Reduction of liability uncertainty to insurance service providers and beneficiaries
- Vehicle insurance validation
- Revitalization of the entire vehicle insurance ecosystem

## VREG FOR CBN



- Bolstering the moveable Asset Registry
- Increased lendability to Nigerians
- Improved access to credit





# NIGERIA CUSTOMS SERVICE (NCS)



**fm**insights  
Economy & Investment

POLICY BRIEF WITH

## ENAM OBIOSIO



Monday 26th July - Monday 9th August, 2021

# Nigeria's Place In Africa's Food Security In Light Of Country's Inflation, Consolidatory Dialogue

**A**lthough Nigeria's food prices have soared as inflation falls again, the country arguably has achieved progress in attaining self-sufficiency in food security, otherwise the nation would have been faced with serious problems during the lockdown prompted by the COVID-19 pandemic.

The point is the government led by President Muhammadu Buhari is doing everything within its powers to make sure that the country is self-sufficient, especially in the area of food security. And it is worth noting that the federal government is working to ensure that the reforms that were put in place from the beginning of the COVID-19 pandemic are sustained.

This is not to say that Nigeria's food system is currently not under threat, just as Mrs. Zainab Ahmed, Honourable Minister of Finance, Budget and National Planning, had revealed. The challenges, she said, are emanating from the increasing cases of insurgency, kidnapping, armed banditry and other vices presently plaguing the country.

She hinted that the government in the face of the challenges has resolved that dialogue is required to find lasting solutions to the lingering problems of the food systems and associated forms of malnutrition in Nigeria.

At the Consolidatory Dialogue for the Nigeria Food Systems held recently in Abuja, Mrs. Ahmed stated that Nigeria had identified some fundamental challenges from various areas through engagements.

Of course, from dialogues, the government had been able to harvest some promising ideas, innovative solutions and approaches from diverse stakeholders with the aim of addressing the food crisis. According to her, the food

systems encompass the entire food production, processing, supply chain, food environment, and consumer behaviour.

"We have also recognised the need to make our food systems attractive to our teeming population, especially to the youth of this country. For this reason, the government is deploying up to date technology in agricultural production and the entire food value chain," she said.

These challenges notwithstanding, the

presently being developed in collaboration with relevant stakeholders.

With conversations on the issue, Mrs. Ahmed's team had developed more sustainable and more resilient solutions to propel dreams of improving nutrition security, reducing hunger and the prevalence of malnutrition as envisioned in Nigeria's national food and nutrition policy.

In line with the United Nations (UN) leadership directive, Nigeria under the leadership of the

of the centrality of transforming the food systems to the achievement of the Sustainable Development Goals (SDGs), called on all world leaders to participate in a Summit that will help establish the future direction for food systems globally in September, 2021.

Notably, Nigeria inflation has fallen again as food price hike slows. This implies that prices continued to rise in June 2021 but at a slightly slower speed than it did in May 2021, according to National Bureau of Statistics

2021.

This is 0.18 percentage points lower than the rate obtained a month earlier. On a month-on-month basis, the headline index increased by 1.06 percent in June 2021. This is 0.05 percentage points higher than the rate recorded in May 2021 (1.01 percent).

The agency said the composite food index rose by 21.83 percent in June 2021 compared to 22.28 percent in May 2021. This implies that food prices continued to rise in June 2021 but at a slightly slower speed than it did in May 2021.

According to NBS, this rise in the food index in June was caused by increases in the prices of bread and cereals, potatoes, yam and other tubers, milk, cheese and eggs, fish, soft drinks, vegetables, oils and fats and meat. Month-on-month basis, the food sub-index increased by 1.11 percent in June 2021, up by 0.06 per cent points from 1.05 percent recorded in May 2021.

"The average annual rate of change of the food sub-index for the 12 months ending June 2021 over the previous 12-month average was 19.72 percent, 0.54 percent points from the average annual rate of change recorded in May 2021 (19.18 percent)," it said.

In spite of the challenges facing Nigeria and considering the efforts of the government to ensure food security, there is the position continentally that the continent's agricultural transformation is impossible without Nigeria. Former Ethiopian Prime Minister and Board Chairman of the Alliance for a Green Revolution in Africa (AGRA), Hailemariam Dessalegn, argued that the continent's agricultural transformation is impossible without Nigeria.

He observed that one-fifth of the entire African population resides in Nigeria that makes the largest economy on the continent.

Dessalegn, who was on a week-long visit to the country, said this during a courtesy call on Mrs. Zainab Ahmed, in Abuja. The Ethiopian said after a painstaking study of the scheme of things in the country, Nigeria's rapid transformation lies on agriculture, urging the current administration to prioritise the sector.

"To have a systemic and structural change in our economy, we need to change and transform agriculture," he stated. The ex-PM regretted that Nigeria that was renowned for livestock had receded, stressing the need for the nation to retake his pivotal position as a vibrant player in the industry.

He hinted of AGRA's plan to expand its current reach of about 11 African nations during the next strategic period covering 2022 to 2030. AGRA Nigeria Country Manager, Dr. Kehinde Makinde, stated that under the concluding Country Strategy Framework that began in 2017, the organisation has been able to reach 1.5 million smallholder farmers in Niger and Kaduna states.

He explained that their focus was to raise productivity in three staple crops – maize, soyabean and rice – besides linking growers to market and ensuring climate change resilience. The country manager pointed out that AGRA has been encouraging gender and private sector participation in the sector.

Also speaking, the minister maintained that although the country had made appreciable progress in maize and rice production, there were still more miles to cover to attain food security. She harped on the need for the country to improve its local processing capacity, provide farmers with improved seeds and train them on best farming practices to increase yield per hectare.



## To have a systemic and structural change in our economy, we need to change and transform agriculture

emphasis, according to Mrs. Ahmed, has always been on protecting the economy and funding the country's healthcare needs, with the COVID-19 response spurring necessary transformation and innovation in the fiscal space and beyond.

This informed the rationale for making food and nutrition key thematic areas in the medium-term national development plan (MTNDP 2021-2025)

Permanent Secretary as the National Convenor has so far successfully organised an inception dialogue at a national level, exploratory discussions in 12 States across the six geo-political zones and local government and community level dialogues in eight communities selected from eight states.

No wonder the UN Secretary-General, Antonio Guterres, has, in recognition

(NBS).

Nigeria's inflation rate fell for the third consecutive month in June to 17.75 percent from 17.93 percent recorded in May, amid decelerating increase in food prices, the NBS said. The statistics agency said recently that the prices of goods and services, measured by the Consumer Price Index (CPI) increased by 17.75 percent in June 2021 when compared to May

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