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Fuel Subsidy Payment Continues, Says FG

- Proposes 18months Extension, To Return PIA To NASS For Amendment
- We Can't Continue Using Huge Resources to Subsidise Petrol - Experts

Taking cognizance of the grave impact it will have on the economy and living conditions of Nigerians, the federal government through the Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, announced recently its plan to pay petroleum subisdy beyond June 2022, Correspondent, ***Musa Ibrahim*** *writes.*

The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, recently in Abuja said that the federal government is still in consultation with various stakeholders on the need to end fuel subsidy.

Mrs. Ahmed said this during an interaction with the Senate President, Mr. Ahmed Lawan, Honourable Minister of State Petroleum, Timipriye Sylva, Group Managing Director, Nigerian National Petroleum Company (NNPC), Mallam Mele, and other stakeholders.

The Honourable Minister said that during the meeting, the federal government initially in compliance with the provision of the Petroleum Industry Act (PIA) to deregulate all petroleum products, made provisions for fuel subsidy from January-June 2022. This implies that there was no provisions for subsidy from July, 2022.

The provision was made sequel to the passage of the PIA which indicated that all petroleum products would be deregulated.

"Sequel to the passage of the PIA, we went back to amend the fiscal framework to incorporate the provisions to deregulate the sector. However, after the budget was passed, we had consultations with a number of stakeholders and it became clear that the timing was problematic.

"We are still discussing, and if it means going back to the National Assembly to move the date forward and further amend the budget to accommodate further

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Mrs. Zainab Ahmed, Honourable Minister of Finance, Budget and National Planning

Year 2021 In Retrospect

Just as we said in the previous edition, we in this edition are again saying that the year 2021 had come and gone, but a few economic trajectories that made the year mostly in the departments and the agencies under the Ministry of Finance, Budget and National Planning are herewith served...

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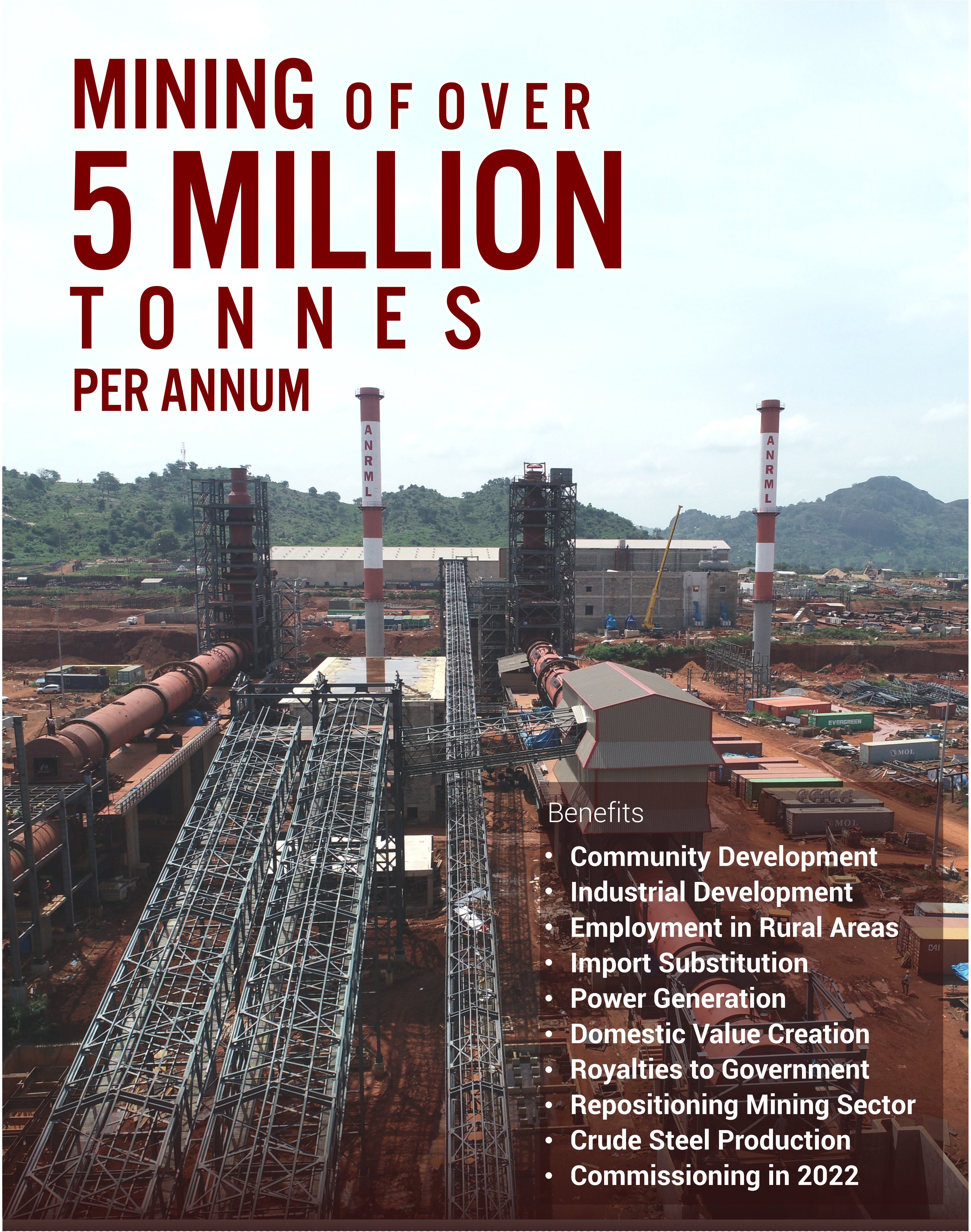

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Managing Nigeria's N13 trillion Pension Funds For Better Productivity

Musa Ibrahim

The Nigerian pension fund industry has been on the rise as its total asset value exceeded the N13 trillion mark for the first time, according to data obtained by **Fmfinsights** from the National Pension Commission (PenCom).

The feat is part of the National PenCom's drive to be among comity of nations as pension and retirement funds all over the world continue to grow.

This is evident by the 5.6 percent year-to-date increase recorded in the net assets of the industry. According to data from the PenCom, total pension fund assets in Nigeria grew to N13.001 trillion ($31.69 billion) as of September 2021.

Similarly, the number of retirement savings account (RSA) registrations also increased to 9.46 million in September from 9.43 million as of the previous month. Also, between January and September 2021, a total of 245,385 new RSA registrations was recorded.

Similarly, a newly released report on pension fund assets by PenCom has shown that the investment in local money market securities (LMMS) had more pension fund assets invested in banks through open market operations (OMO) and banks' fixed deposits than in commercial papers in the third quarter (Q3).

It further showed that total invested fund placed with banks as a percentage of total pension fund assets stood at 17.10 percent or N2.22 trillion in September 2021, rising from 13.15 percent N1.66 trillion in June 2020, while investment in commercial papers, constituting 0.52 percent of investment in pension fund assets, decreased to N0.68 trillion from N0.72 trillion (constituting 0.57 percent).

According to the report, for corporates debts securities, the amount invested in this space increased by 1.82 percent to N0.97 trillion in Q3 2021 from N0.95 trillion in Q2 2021. Albeit, its proportion to the total pension fund assets fell marginally to 7.45 percent from 7.51 percent.

The Pension Reform Act 2004, which was later reviewed and re-enacted in 2014, introduced legal and institutional frameworks aimed at addressing the rot that characterised the administration of pensions in the pre-reform era

Similarly, cash and other assets which constituted 0.46 percent or N59.79 billion of the total pension fund assets in September 2021 fell from 0.59 percent or N74.12 billion in June 2021.

Funds invested in real estate properties as a fraction of the total pension fund assets decreased to 1.18 percent or N153.44 billion from 1.24 percent or N156.88 billion in the period under review.

According to the report, a higher proportion of the pension fund assets was still invested in federal government securities, despite the significant decline in T-bills investments.

Hence, the share of federal government of Nigeria bonds to total assets decreased to 60.25 percent (or N7.83 trillion) in the period under review, from 61.74 percent (or N7.81 trillion) it printed in June 2021.

However, PenCom observed that pension fund administrator (PFAs') investments in T-bills declined sharply quarter-on-quarter (q-o-q) by 48.21 percent to N283.88 billion in Q3 2021 from N548.13 billion recorded in June 2021 amid profit taking activity.

Bonds were relatively low as their respective shares of allocated pension assets stood at N79.78 billion and N11.99 billion in the month under review, falling from N86.09 billion and N12.88 billion, respectively in June 2021, the report showed.

Collaborations, Innovations Driving Pension Sector Growth

As part of efforts to tackle fraud and drive growth of the pension sector, PenCom partnered in the year 2021 with the Economic and Financial Crimes Commission (EFCC).

Speaking in Abuja, at a workshop titled 'Eradication of pension fraud in Nigeria,' Director-General, PenCom, Aisha Dahir-Umar, said that the Commission is willing to examine the incidences of fraud in the pension sector in Nigeria and ways of eradicating the menace proactively.

She explained that the partnership would create the synergy needed to boost the efforts of the two organisations in the discharge of their respective statutory mandates.

The PenCom boss recalled that unmitigated cases of corruption in pension administration birthed the current contributory system to eliminate sharp practices.

She added: "The Pension Reform Act 2004, which was later reviewed and re-enacted in 2014, introduced legal and institutional frameworks aimed at addressing the rot that characterised the administration of pensions in the pre-reform era."

Dahir-Umar highlighted that the Act also established PenCom to regulate and

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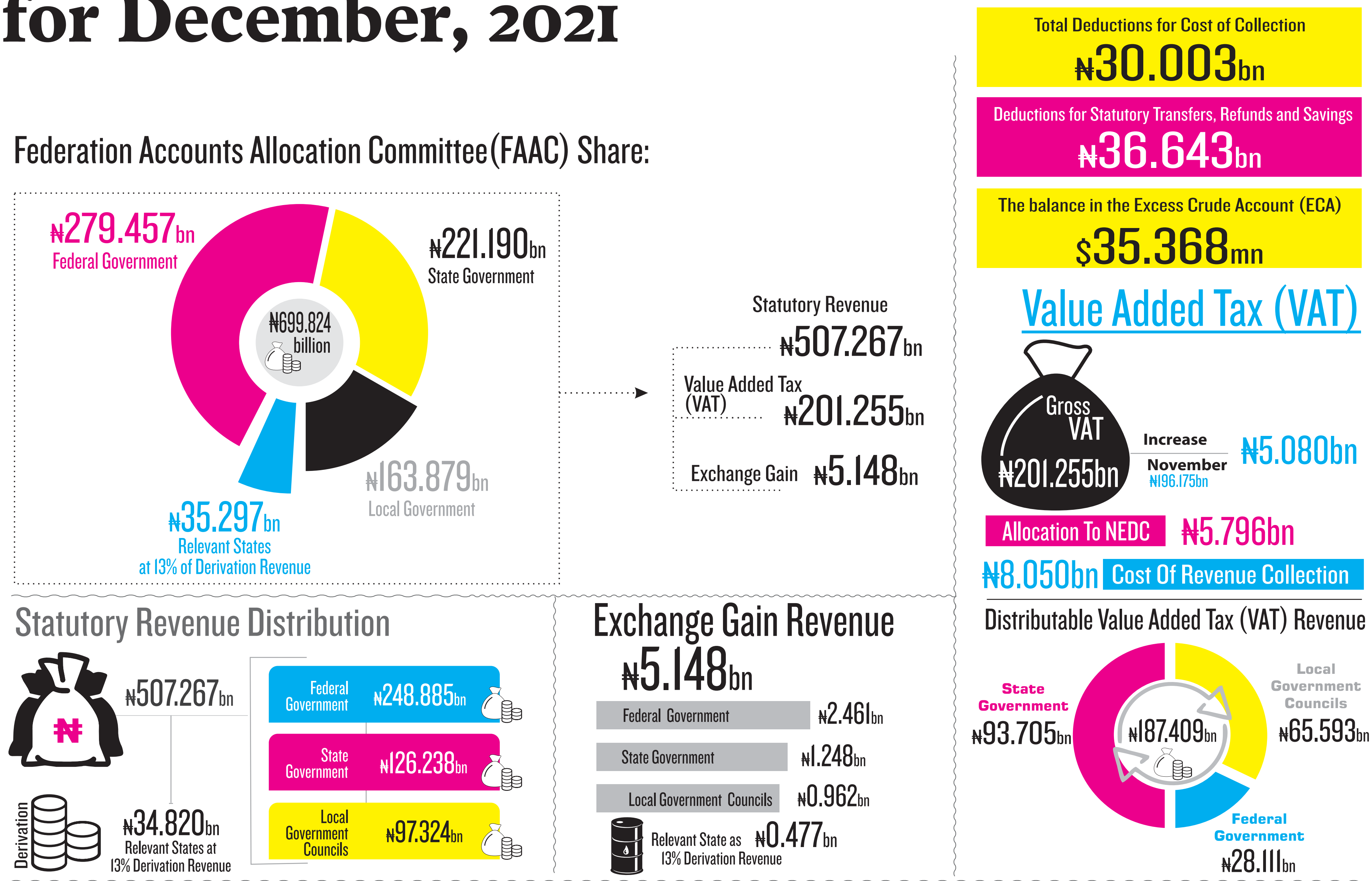
FAAC: FG, States, LGCs Share ₦699.824bn for December, 2021



According to the Communiqué, in the month of December 2021, Companies Income Tax (CIT) and Value Added Tax (VAT) increased reasonably, Petroleum Profit Tax (PPT) and Oil and Gas Royalties decreased significantly while Import and Excise Duties decreased marginally.

CAC Promoting FG's Ease Of Doing Business Through Digitalisation, Regulations

Musa Ibrahim

The Corporate Affairs Commission (CAC) headed by Mr. Garba Abubakar has made ease of business registration processes for Nigerian micro, Small and Medium Enterprises (MSMEs) a major priority.

The development is in line with the federal government's Ease of Doing Business Policy.

In the light of the policy, the CAC has developed an app to help their customers have easy access in registering companies, the Registrar-General of the Commission, Garba Abubakar, has said.

The Registrar-General said that the app would help customers to navigate from account creation opening to the final stage of the company registration.

According to him, CAC is one of the few government agencies that have recognised the importance of ICT in company registration activities. He explained that in 2014 when a new content pinnacle was introduced, registration process changed and the old system could not support it, because it was archaic.

Mr. Abubakar noted that after many years of operation, the CAC had continued to improve and refine its processes and standards in line with global best practices, through its integrated ICT system, code-named CACONLINE.

The Registrar-General also noted that existing challenges continued to negatively impact the agency's service delivery, revenue and overall operations, including inability to provide suitable integrated electronic platform for pre-registration, post-registration and document archiving.

The CAC chief said also that in the past, such hiccups hindered customers from making some changes online after registration had commenced, resulting to manual processes of managing changes. According to him, the challenges resulted to untimely access of information, due to absence of digitilised records.

Mr. Abubakar said that in a bid to curb the challenges, the commission had to launch a new application — an upgraded version, to help in achieving timely registration.

He noted that the upgraded application version was to support the implementation of 'Allied Matters Act' that came into effect in January this year.

The CAC boss emphasised that at present, 95 percent of its registration and post-registration services were done electronically. "CAC is one of the few agencies of government that recognises the importance of technology in its regulatory activities and we are pace-setters in this regard.

"What we have is what is comparable anywhere and typical of anything application. When you first start, there must be issues and hitches. As we moved on, the issues were addressed, applications were made stable and customers are now finding it easy to navigate because the new application is user-friendly," he stated.

Grand Incorporation of NNPC

The Nigerian National Petroleum Company (NNPC) Limited has made history for being the company with the highest share capital in the country, the Corporate Affairs Commission (CAC) has said.

The Registrar-General stated this in the last quarter of 2021 while presenting the Certificate of Incorporation of the Company to President Muhammadu Buhari.

During the presentation ceremony, organised by the management of the NNPC Limited, the CAC chief executive told President Muhammadu Buhari that the company was registered electronically within 24 hours, with an initial share capital of N200 billion.

President Buhari noted with delight the feat attained by the NNPC Limited and, therefore, charged the management of the company to ensure that it was adequately capitalised.

He pledged his continued support to the company which, he noted, was strategic to the economic development of the country and, therefore, prayed for its success.

President Buhari on 16 August, 2021 signed into law the Petroleum Industry Act (PIA), 2021.

Section 53(1) of the PIA 2021, requires the Minister of Petroleum Resources to cause for the incorporation of the NNPC Limited within six months of the enactment of the PIA, in consultation with the Minister of Finance, Budget and National Planning on the nominal shares of the Company.

CAMA Complimenting FG's Ease of Doing Business Efforts

The implementations of the Companies and Allied Matters Act (CAMA) 2020 heralded the year 2021 to the admiration of business owners. The Act was also accompanied with an introduction of a self-service portal.

The CAC stated that the self-service portal would be used for end-to-end electronic submission by customers.

Alhaji Garba Abubakar, Registrar General/CEO Corporate Affairs Commission

"The Honourable Minister approved the Companies Regulation 2021 towards the end of December, 2020 and the approval says it is effective from Jan. 1, 2021," Abubakar said.

"Already, the implementation has started and we have upgraded software that allows you to register your company electronically. The law has come with a lot of innovations and changes to some of the old provisions of CAMA 1990. So, we needed to make some changes to bring them up-to-date, consistent with the new law.

"We needed to make necessary changes to the registration software, to accommodate the reforms introduced by the new law, and that took some time.

"The portal started working on Jan. 3rd and customers are already using it. So, from the comfort of your home or using your own phone, you can now register your company," he added.

Mr. Abubakar also noted that CAC's new integrated platform reduced service delivery time and process, enabling ease of doing business in the country.

"For the first time, post-incorporation filings are also being done electronically; in the past they were done manually. The upgrade has also introduced a new interface that allows for post-registration. So, when you register your company, you can change your directors without having to come to CAC."

Recalled that in August 2020 President Buhari assented to the Companies and Allied Matters Bill 2020, which was passed by the National Assembly.

The CAC disclosed in November 2020 that it was set to ensure the full implementation of the Gazetted CAMA 2020 by 1st January 2021.

Some Provisions Under The New CAMA

"Provision of single-member/shareholder companies- Section 18 (2) of the new CAMA now makes it possible to establish a private company with only one member or shareholder.

"Appointment of company secretary now optional – Going forward, the appointment of a company secretary for a private company is optional. Procurement of common seal not mandatory – Contrary to the previous document that insisted that every company must procure a common seal, CAMA 2020, according to Section 98, does not require one."

Effective Regulation of Business Environment

Also, in the year under review, the CAC intensified the move against fraudsters by deploying means to block fraudulent applications aimed at registering new companies similar to existing ones trying to take over lands belonging to others.

The move is part of measures put in place by the current administration to further boost its fight against corruption.

The CAC said the move was as a result of high incidence of applications with names closely similar to existing ones.

Commenting on the development, the CAC boss said: "The commission had upon the commencement of the implementation of CAMA, 2020 invoked the provision of Data Privacy and Protection Act to eliminate incidences of presenting cloned signatures to the CAC for registration purposes.

"In view of the provisions of the law, the commission discontinued the issuance of certified true copies (CTCs) of some documents. Certified extracts had replaced CTCs in accordance with provisions of the law."

Mr. Abubakar expressed concern that in spite of the provisions of the Data Privacy and Protection Act, some customers were still yet to accept the new arrangement which was invoked to check fraudulent transactions, amongst others.

The CAC boss, in his analysis of the ongoing reform initiatives by the commission, said that the agency was reviewing its checklist for some services, adding that it would deploy customer relationship management (CRM) system toward resolving customer challenges real-time.

He cautioned accredited agents against sharing their access to CAC portals with others to guard against fraud and also revealed that the commission had completed work on the insolvency framework.

According to him, the commission will soon expose the regulation to the public through its website.

Recall that earlier in September last year, the CAC had moved to grant the Code of Conduct Bureau (CCB) access to its database to probe fraudulent companies as part of the commission's effort aimed at collaborating with anti-corruption agencies in the fight against corruption, especially in the investigation of companies with suspicious activities.

The commission had emphasised that in view of CAC's strategic collaboration with other anti-corruption agencies such as Economic and Financial Crimes Commission (EFCC), Independent Corrupt Practices and Other Related Offences Commission (ICPC), and International Criminal Police Organisation (INTERPOL), it had established a dedicated unit to expeditiously handle requests for information and other services.

The portal started working on Jan. 3rd and customers are already using it. So, from the comfort of your home or using your own phone, you can now register your company

AMCON's Major Wins In 2021

*The Assets Management Corporation of Nigeria (AMCON) is of course saddled with the responsibility of recovering debt and assets on behalf of the federal government of Nigeria. In this report, **Musa Ibrahim** highlights the Agency's achievements and challenges for last year.*

The AMCON led by Mr. Ahmed Kuru has had a number of court battles in the year 2021 of which it has recorded some significant success.

Findings by **Fmfinsights** has shown that the assets recovered on behalf of the federal government had run into billions of naira.

For instance, a recent order granted the AMCON permission to take over assets belonging to Jimoh Ibrahim, a Nigerian businessman, over alleged N69.4 billion debt.

Justice Okon Abang, presiding judge, while ruling on an ex parte application by AMCON on January 4, granted leave to AMCON to seize some assets belonging to Mr. Ibrahim, in order to recover the said N69. 4 billion debt.

But the business mogul and his firms NICON Investment Ltd and Global Fleet Oil and Gas Ltd had in another application challenged the court's order on the grounds of 'non-disclosure and misrepresentation of material facts.'

According to the judge, there is a subsisting ruling of a federal high court in Lagos delivered in 2016 which restrained AMCON from taking over the defendant's property, pending final determination of the matter.

Similarly, Justice Tijjani Ringim of the Federal High Court, Lagos, has frozen the accounts of two defendants – Adeniyi Adeoye and Mopelola Adeoye – in all banks over their alleged N212,112,792.36 debt to the AMCON.

The judge granted the interlocutory injunction, pending the determination of the suit marked FHC/L/CS/1763/2020, and frozen all the accounts linked to their bank verification numbers.

The court further authorised AMCON to take possession of Plot 5 Block 139, Lekki Peninsula Scheme 1, Eti-Osa Lagos and No. 2 Adetoro Adelaja Street, Magodo GRA, Shangisha Lagos.

The judge made the order following AMCON's ex parte application filed and argued by its counsel, Mr. C. O. Eze.

He held: "After careful consideration of the application and submissions of counsel, it is hereby ordered as follows: 'An Interlocutory Order is hereby granted to the claimant/applicant freezing the defendants' accounts with the banks, pending the determination of this suit with respect to the defendants' indebtedness in the sum of N212,112,792.36 on which interest continues to accrue.

'An Order is hereby granted to the applicant to take possession of (1) all that property is known as Plot 5 Block 139, Lekki Peninsula Scheme 1, Eti-Osa Lagos as described in Survey Plan No LS/D/LA 516c situate at 6A Adebayo Doherty Street, Off Admiralty Way Lekki Phase 1 Lagos, which belongs to the 1st defendant as covered by the Certificate of Occupancy date May 12, 1997, and registered as No 79 on page 79 in volume 1997k kept at the Lagos State land registry, pending the determination of this suit.

'All that property is known as Plot 10 Block A10, Shangisha Extension Residential Scheme Kosofe LGA as described in Survey Plan No LS/D/IKJ/1735 situate at No 2 Adetoro Adelaja Street, Magodo GRA Shangisha Lagos, which belongs to the defendants as covered by the Certificate of Occupancy date October 13, 2003, and registered as No 89 on page 89 in volume 2003R'."

The court further ordered the defendants to declare all their assets anywhere in Nigeria and file same at the Registry of the Federal High Court within seven days of the service of this order to them.

It directed the banks to file and serve on the claimant's counsel, within seven days of service of the order(s) on them, an affidavit disclosing the balances on the defendants' accounts with the banks.

It also directed the Inspector General of Police and the Commissioner of Police, Lagos State) to assist the Bailiffs and or Deputy Sheriff of the court to enforce the orders.

Also, in another landmark judgement, Justice C.J. Aneke of Federal High Court, Lagos Division, ordered the AMCON to take over assets belonging to 14 directors of Deap Capital Management and Trust Plc over N1.6 billion debt.

The properties include the ones situate at Plots 14, 15, 16 and 17 in Block 1B, Isolo-Ishaga Area, Mushin, Lagos State; Mile 3, Old Isheri Road, Ikeja, Lagos State; Plot 13, Block 65, Magodo Residential Scheme, Lagos State; No. 73, Femi Kila Street, Okota, Isolo, Lagos State; Plot 22, Block 91, Lekki Peninsula Residential Scheme, Lekki Area, Lagos; Government Land Allocation, Lekki Peninsula Scheme II, Lekki, Lagos State; and 2nd Avenue Estate Extension, Ikoyi, Plot No. 11 Eti Osa Local Government Area, Lagos State.

The court also ordered freezing of bank accounts and shares of the company's directors namely: David Ogwu, Anthony Ezeh, Clara Rotzler, Vincent Otiono, Vincent Sankey, Victoria Alo, Preye Ogriki, Treasure Afolanyan, Chief Nwagwu, Peter Ololo, Gordons Ejikeme, Joe Idudu, Falcon Securities Ltd and Rainoil Limited.

Mr. Ahmed Kuru, MD/CEO, AMCON

AMCON spokesman, Mr. Jude Nwauzor, confirmed that all the properties have been taken over by AMCON with the assistance of court bailiffs, among other officials of the law.

On why the corporation waited for over a month before carrying out the order, Nwauzor said: "It takes a process to effect these orders. We are a government agency that is guided by law and order, and we must meet all the legal conditions before any enforcement is made. So, the length of delay is not the issue. The important thing is to carry out the order as guided by the law."

In the year under review, AMCON took over the mansion of former Governor of Kwara State, Alhaji Abdulfatah Ahmed, over N5 billion indebtedness.

The AMCON said that the takeover followed the order of Hon. Justice A.M. Liman of the Federal High Court, Lagos Division, who also ordered the freezing of the bank accounts of the former governor and his two companies including Trans Properties and Investment Limited and Trans It Consulting Limited.

The AMCON noted that the former governor, who is one of the founders of the newly established third force in Nigerian politics known as the Rescue Nigeria Project (RNP), is one of the high-profile obligors of AMCON.

Confirming this development, Head, Corporate Communications of AMCON, Mr. Nwauzor, said: "AMCON through the Law firm of Chief Robert Ohuoba of Robert Ohuoba & Co, one of the leading Asset Management Partners (AMPs) of AMCON who also received protective orders from the court, took possession of the mansion belonging to the former governor situate at Abdulfatah Street, GRA, Ilorin, Kwara State.

"AMCON had taken over the Non-Performing Loans of the former governor and his companies, Trans Properties and Investment Limited and Trans IT Consulting Limited, from the former Intercontinental Bank, FinBank and Bank PHB during the first phase of EBA purchases, in line with its mandate under the AMCON Act. All efforts to peacefully resolve the loan had been frustrated by the former governor who remained recalcitrant, which left AMCON no other choice than to seek justice in court.

"AMCON had to commence asset tracing through its appointed law firm of Robert Ohuoba & Co. on Abdulfatah Ahmed, an exercise which further revealed nine properties of the obligor situate in Kwara State, Lagos State and the Federal Capital territory (FCT), Abuja, which the Corporation has plans to enforce upon.

"This action is in line with Section 49 (1) of the AMCON Act 2019 (As Amended), which states that: 49 (1)Where the Corporation has reasonable cause to believe that a debtor or debtor company is the bona fide owner of any movable or immovable property, it may apply to the Court, before or at the time of filing of action for debt recovery or other like action or at any time after the filing of action, and before or after the service of the originating process by which such action is commenced on the debtor or debtor company, by motion ex-parte for an interlocutory order granting possession of the property to the Corporation pending the hearing and determination of the debt recovery or other action to abide the decision in such action.

"Other assets of the former Governor, which the Honourable Court granted AMCON possession over include: No 13, Alhaji Masha Road, Surulere; No. 9 Wharf, Apapa, Lagos; Plot 3632, Cadastral Zone E27 of Apo, Abuja; Plot 4115, Cadastral Zone F14 of Bazango, Abuja; Plot 8502, Cadastral Zone E31 of Carraway Dallas, Abuja; Plot 494, Cadastral Zone E31 of Carraway Dallas, Abuja; Plot 719, Cadastral Zone E23 of Kyami, Abuja; and any other landed property in any place that may be found within the Federal Republic of Nigeria.

Finally, AMCON Amendment Act Becomes Law

Meanwhile, President Muhammadu Buhari in November 2021 signed to the admiration of stakeholders the AMCON amendment bill.

The bill now gives AMCON the stamina to go after chronic debt obligators in the country amounting to trillions of Naira.

The AMCON (Amendment) Act amends the AMCON Act No.4, 2010. It also provides for the extension of the tenor of the Resolution Cost Fund and grants access to the Special Tribunal established by the Banks and other Financial Institutions Act 2020, which confers on the corporation the power "to take possession, manage, foreclose or sell, transfer, assign or otherwise deal with the asset or property used as security for eligible bank assets and related matters."

"This, in effect, will enable AMCON to make recoveries and for debtors to fulfil their commitments to banks," the statement said.

The bill now gives AMCON the stamina to go after chronic debt obligators in the country amounting to trillions of naira

Unlocking The Nigerian Economy Through NDP

Felix Omoh-Asun

The recent approval of the National Development Plan (NDP) - 2021 to 2025 - will continue to elicit commentary for the simple fact that it has all it takes to unlock the nation's economy.

Drawing from the statement of the Hon. Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, in a recent outing in Abuja, that the investment in NDP is expected to result in Nigeria achieving improved competitiveness of the economy with a Gross Development Product growth of five to six per cent, the plan is a big leap to development.

However, it is expected that Nigerians are made aware of the major components of the plan.

This plan was formulated against the backdrop of several subsisting development challenges in the country and the need to tackle them within the framework of medium- and long-term plans. These challenges include low and fragile economic growth, insecurity, weak institutions, insufficient public service delivery, notable infrastructure deficits, climate change and weak social indicators.

Hence, the plan seeks to invest massively in infrastructure, ensure macroeconomic stability, enhance the investment environment, improve on social indicators and living conditions, implement climate change mitigation, adaptation and resilience strategies, amongst others.

President Buhari with Vice President **Yemi Osinbajo**, during the launching National Development Plan 2021-2025

In its vision statement, NDP is to make Nigeria a country that has unlocked its potential in all sectors of the economy for a sustainable, holistic, and inclusive national development.

It also aims to effectively guide the implementation of programmes and policies that promote rapid multi-sectoral growth and development of Nigeria's economy.

The associated broad objectives of the Plan, include to establish a strong foundation for a diversified economy, with robust MSME growth, and a more-resilient business environment, to invest in critical physical, financial, digital, and innovation infrastructure, to build a solid framework and enhancing capacities to strengthen security and ensure good governance, and to enable a vibrant, educated, and healthy population, investing in the social infrastructure and services required to alleviate poverty, and promoting development opportunities across states to minimize regional economic and social disparities, are the core objectives of the plan.

> ***At least 35 million people will be lifted out of poverty by 2025. 21 million full time jobs will be generated for the young workforce to leverage, and this will significantly enhance capacity at the national and sub-national levels***

Others are to make the nation's economy more resilient business environment; build a solid framework and enhance capacities to strengthen security and ensure good governance; enable a vibrant, educated and healthy populace.

Its cross-cutting enablers are expected to lead to investment in the social infrastructure and services required to alleviate poverty and drive inclusive economic empowerment, promote development opportunities across states to minimise regional, economic and social disparities.

The minister in highlighting the gains of plan said the federal government projected that the NDP will lift 35 million Nigerians out of poverty and create 21 million jobs within the next three years.

The federal and state governments as well as the private sector will fund the plan, with an investment size of N348.1trillion. The funders from the public sector will contribute N49.7trillion, subnational will contribute N20.1trillion, while N29.6 trillion will come from the Federal Government. The private sector is projected to contribute N298.3trillion to funding the plan.

"At least 35 million people will be lifted out of poverty by 2025. 21 million full time jobs will be generated for the young workforce to leverage, and this will significantly enhance capacity at the national and sub-national levels," she said.

She further explained that the sectoral composition in the NDP 2021-2025 includes economic growth and development, infrastructure, public administration, human capital development, social development, regional development and plan implementation, communication, financing, monitoring and evaluation.

According to her, the NDP is aimed at accelerating growth, deepening the initiative for diversified growth and fostering sustainable development.

The minister maintained that the 2022 Federal budget is the first key public sector contribution to implementing the plan. She said the vision for the NDP 2021 – 2025 is for Nigeria to be a country that flows with all the amenities for good living, while the mission is to guide the implementation of programmes and policies that promote rapid multi-sectoral growth and development of Nigeria's economy

While stressing the need for Nigeria to diversify its economic base away from oil and gas to fund critical developmental expenditures, Dr Ahmed said the yearly tradition of enacting Finance Acts to accompany the federal budget is one of many Strategic Revenue Generation Initiatives (SRGIs) being undertaken by the federal government to optimise domestic revenue and resource mobilisation.

She added that while ongoing fiscal reforms to enhance non-oil revenues are yielding tangible results, there remains a significant fiscal gap to be bridged to effectively finance the 2022 Budget and other tiers of government.

The minister maintained that the Finance Act 2022 enacts significant tax, fiscal and other reforms to drive domestic revenue mobilisation, saying more fiscal reforms and measures may be required during the 2022 fiscal year to deal with emerging fiscal constraints and challenges, particularly as the economy recovers.

She assured that the current administration remains committed to continuous dialogue and robust engagement with all key stakeholders in developing and implementing its fiscal policies.

DMO List $4 billion Eurobonds on FMDQ Securities

Says FG's Bonds Oversubscribed In January By N175 billion

Musa Ibrahim

The Debt Management Office (DMO) has listed the $4billion borrowed through Eurobond it issued in September 2021 on the FMDQ Securities Exchange.

The listing was announced by the DMO in a statement published on its website recently.

"The Debt Management Office listed the $4billion Eurobond issued by the Federal Government of Nigeria on the FMDQ Securities Exchange on January 25, 2022," it said.

The Eurobond was issued on September 28, 2021, as part of the fundraising for the implementation of the 2021 Appropriation Act.

It was issued in three tranches of seven years for $1.25billion due September 2028 at 6.125 percent, 12 years for $1.50billion due September 2033 at 7.375 percent, and 30 years for $1.25billion due September 2051 at 8.250 percent.

Patience Oniha, Director-General, DMO

The DMO said: "the subscription level for the Eurobond was $12.2billion, making it one of the continent's most successful financial transactions of 2021.

"The Eurobond issuance shored up Nigeria's foreign reserves, led to the appreciation of the naira and provided significant capital to finance various projects across Nigeria under the 2021 Appropriation Act."

Meanwhile, the DMO has also announced that federal government's bonds for January 2022 worth N150billion, which were auctioned on January 19, were oversubscribed by N175.24billon.

The DMO said on the total subscription received from investors was N325.24billion.

It said that a subscription of N11.19billion was received for the 12.50 percent FGN January 2026 bonds and N214.05billion for the 13 percent FGN January 2042 bonds, which recorded the highest subscription.

The debt office said that a total of N170.64billion was allotted, comprising N81.72billion and N88.92billion.

It said, "Successful bids for the 12.50 percent FGN January 2026 and 13 percent FGN January 2042 were allotted at the Marginal Rates of 11.50 percent and 13 percent, respectively.

"However, the original coupon rates of 12.5000 per cent for the 12.5000 percent FGN January 2026 will be maintained, while the coupon rate for the 13 percent FGN January 2042 (New Issue) is set at 13 percent."

The DMO had earlier released its bond issuance calendar for the first quarter of 2022, which the auction dates being January 19, February 16, and March 23.

The federal government planned to acquire about N480bn in new debt capital from the domestic capital market in Q1 2022, according to its bond issuance calendar.

The debt office also said that the Eurobond would be listed on the Nigerian Exchange Limited to provide a diversified pool of financial offerings for investors.

CBN To Continue Development Finance Tools To Accelerate Output, Positive Growth Expected This Year – *Emefiele*

Felix Omoh-Asun

The Central Bank of Nigeria (CBN) has said that the Monetary Policy Committee (MPC) has advised it to continue to use its development finance tools to accelerate output growth, which will also help in boosting manufacturing output that would ultimately aid moderation in prices.

The CBN Governor, Godwin Emefiele, said that the MPC highlighted that the Nigerian economy is expected to continue with positive growth following the impressive growth recorded in the third quarter of 2021, reflecting continuous recovery from the recession.

He said that the committee believed that the existing monetary policy stance has supported the growth recovery and should be allowed to continue for a little longer for consolidation to achieve the mandate of price stability that is conducive for sustainable growth.

The committee also felt that a hold stance would enable it to carefully appraise the implications of the unfolding global development around policy tapering and normalisation by advanced economies, he said.

This is even as Mr. Emefiele told the Nigerian public recently that it would retain its benchmark rate in at 11.5 percent, and other key monetary policy parameters.

He also said that the MPC of the CBN had voted to retain the monetary policy rate (MPR), which measures interest rate, at 11.5 percent.

He said the MPR is the baseline interest rate in an economy, every other interest rate used within an economy is built on the MPR.

Mr. Emefiele disclosed this after the committee's first meeting for the year at the CBN headquarters in Abuja.

The apex bank governor said that the committee members unanimously retained key rates.

He said also that the committee voted to maintain the key lending rate at 11.5 percent, with the asymmetric corridor of +100 and -700 basis points around the MPR and liquidity ratio at 30 percent.

He stated that the committee unanimously retained key rates, with the assymetric corridor of +100/-700 basis points around the MPR.

The benchmark rate is the rate at which the central banks lends to banks, which therefore determines the rate at which commercial banks lend money to businesses and individuals.

It is used to control money supply in the economy, with a direct implication for economic growth and stability of prices.

The committee also voted to retain the Cash Reserve Ratio (CRR) at 27.5 percent as well as the liquidity ratio at 30 percent.

The committee said that it held the parameters in the hope they will support growth and boost production, which would ultimately rein in inflation in the short to medium term.

"In its determination as to whether to hold or loosen or tighten its policy stance, the MPC was mindful that, whereas the United States (US) and some advanced economies have signalled their intention to commence policy normalisation which may result in capital flow reversal for emerging market and developing economies (EMDEs), the major focus at these climes were targeted mainly at reining in the high level of inflation which had been unprecedent in the last four decades in those climes.

"For Nigeria, members were of the view that Nigeria is confronted with, not only inflation but also fragile output growth. As a result, MPC believes that its current stance of price and monetary stability conducive for growth remain desirable.

"The MPC is convinced that various measures being implemented were helping, not only in boosting output growth, but also in moderating inflation."

"The MPC feels a hold will signal its realisation of the fragility of the growth recovery and its sensitivity to the emerging global and domestic uncertainties. Hence, the need to sustain policy trajectory," Mr. Emefiele said.

He stated further: "After a careful balancing of the benefits and downsides of each policy ratio, the MPC decided to hold all policy parameters constant."

He observed that inflation in most developed and emerging economies remain high, driven by persistent exchange rate fluctuations and supply bottlenecks.

The committee noted that the increase in the country's inflation rate in December 2021 is attributable to increased demand during the yuletide, suggesting that the uptick in the numbers could be a temporary development.

In December 2021, surging food prices push inflation to 15.63 percent — the first increase after 8 months of decline.

According to Emefiele, the members are of the view that inflation will moderate further going into the new year, driven by the significant interventions in the agricultural sector.

However, reacting to the development, some economists said the economy would continue to bite harder on Nigerians, as the MPC were meant to adjust the rate to ease the burden of Nigerians.

An economist, Mr Kunle Olusola, said: "The MPC should have adjusted the lending rates to ease the inflationary pressure in the economy. This is very crucial at a time like this."

But a development economist, Prof Ken Ife, said that the decision of the CBN was reasonable as changing the rates would be harmful to the economy.

He said: "I think the analysis is quite robust because the CBN at this moment has so many balls in the air around driving down inflation and mainly through the money supply issues and tackling the forex side of it and pushing on food production, because the food sub basket index is the biggest driver among the structural factors, so it is doing quite a bit.

CBN Governor, **Godwin Emefiele**

Also, an economist, Muda Yusuf, said: "Yes, I agree with him if you look at the inflation, the increased was very marginal, between November and December.

Cont. from page 03

Managing Nigeria's N13 trillion Pension Funds...

supervise all pension matters in Nigeria, including the licensing of Pension Fund Administrators (PFAs) and Pension Fund Custodians (PFCs).

These measures, she stressed, substantially restored credibility and confidence in Nigeria's pension systems.

She hinted that the pension industry now boasts of accumulated pension assets over N13 trillion, invested in various aspects of the economy and still growing.

She stressed that PenCom has developed and established structures, systems and procedures that ensure transparency, accountability and efficiency in the administration of pension in Nigeria, saying that these systems and procedures have become reference points for other African countries, many of whom have undertaken study visits to the Commission.

Contributory Pension Scheme (CPS) or Defined Benefit Scheme (DBS)

She was, however, quick to observe that retrogressive elements continued to exploit procedural gaps in the operations of pension practitioners in both the Contributory Pension Scheme (CPS) and Defined Benefit Scheme (DBS) to the detriment of the unsuspecting public, which is creating new issues and challenges.

The DG, however, expressed optimism that the PRA 2014 had strengthened Nigeria's pension institutions in both the contributory and defined benefits schemes, and imbued them with the capacity to rise above emerging challenges.

She stated that continued collaboration with the EFCC would certainly bring about reducing the menace of fraud in the pension industry to the barest minimum.

To boost innovation and ensure seamless retirement verification, PenCom has advised employees of federal government treasury-funded ministries, departments and agencies (MDAs), who retired between January and August 2021, to enrol online for their yearly pre-retirement verification exercise.

The management of PenCom pointed out that the online enrolment application which went live in September 2021 noted that verification and enrolment by all concerned must be completed with their respective PFAs by 31st December 2021.

According to PenCom, the self-assisted process is done by registering and capturing employment details as well as uploading scanned copies of required documents before proceeding to the respective PFA for physical verification and enrolment.

PenCom has also extended the online verification of the prospective retirees from October 31 to December 31, 2021.

The Head, Corporate Communications, PenCom, Peter Aghahowa, disclosed that the commission had developed an online application that automated the yearly pre-retirement verification and enrolment exercise for retirees/prospective retirees of MDAs.

Mr. Aghahowa said that the online enrolment application went live on September 1 and that retirees and prospective retirees were given a deadline at the end of October to conclude the process. He also said that only employees of federal government-funded MDAs are eligible to participate in the 2021 online verification and enrolment exercise.

He also said that the exercise involved "employees, who retired from January to October 2021, employees who are due to retire from November to December 2021, and retirees that missed the previous enrolment exercises from 2007 to 2019.

"The affected retirees/prospective retirees are required to visit PenCom's website http://www.pencom.gov.ng to initiate the online enrolment process by registering and capturing their employment details. Also, upload scanned copies of the required documents before proceeding to their respective PFA for the physical verification and enrolment."

Projection for Pension Funds in 2022

As it stands, the Nigerian pension industry has continued to wax stronger with improved competition amongst the 22 players in the industry.

A recent analysis carried out by Nairalytics showed that the best performing PFAs in the country between January and September 2021, printed single-digit ROI in the period. Specifically, Stanbic IBTC, Veritas Glavills and ARM Pension topped the list with 6.79 percent, 6.29 percent, and 6.02 percent year-to-date ROI respectively.

Meanwhile, an expert and President, Abuja School of Pension and Retirement, Dr. Musa Ibrahim, has urged the federal government to borrow from the pension funds to fund critical infrastructure in the country rather than borrowing from multinationals.

"Nigeria will be having about N13 trillion in pension funds, which is a huge amount of money that Nigeria can borrow to invest in critical infrastructure and boost the economy rather than going to multinationals to borrow and service those loans with virtually all its revenue.

"All they require is to approach the companies involved to issue the bonds while the federal government guarantees it. This will go a long way in reducing our loan problems," said Dr. Musa Ibrahim.

Dr. Ibrahim noted that the complexity of the pension industry requires adequate expertise. Consequently, the Abuja Pension school is providing the capacity-building for individuals to train them on how the sector operates.

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Nigeria's Plan For Removal Of Petroleum Subsidy Should Not Be Abandoned

Last week the federal government released the planned abolition of subsidy regime. In a well-publicised statement by the senate president, Mr. Ahmed Lawal, he said that President Muhammadu Buhari had not given approval for the withdrawal of subsidy on petroleum mid-year 2022.

This was further confirmed by the Hon. Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed. She said that the federal government has offered an 18-month window before the application of the plan to withdraw subsidy. She also hinted that a legislative process was in the offing to amend the enabling law to provide for extra budgetary allocation to cater for the subsidy.

Laudable as these may be, the federal government should not lose focus of what brought about the Petroleum Industry Bill (PIB) and all the acrimonies that had attended subsidy regime.

In all these, we should remember and look back from where we are coming.

In the first place, federal government's major reason for the removal is hinged on the deregulation of the downstream petroleum sector, whereby market forces are to determine prices of petroleum products. The government said the new price with its cost-reflective nature is expected to help to improve product availability and attract investments to the sector as marketers now have increased margin.

When viewed from the benefits to be derived from the removal, it is irreconcilable, the regime has to go.

Half year of 2021, Nigeria's fuel subsidy cost the country an estimated N2.9 trillion. This did not even take into account the country's losses due to market distortions as a result of the subsidy.

Country Director, World Bank in October last year further decried the continued spending by the Nigerian government on petrol subsidy, which it said was on track to gobble more than N2.9 trillion 2021.

Shubham Chaudhuri, who spoke at a panel session during the 27th National Economic Summit in Abuja said the country could channel the money being spent on subsidy to primary healthcare, basic education and rural roads.

"This year, Nigeria is on track to spend N2.9 trillion on premium motor spirit (PMS) subsidy, which is more than it spends on health," he said.

He said: "I think the urgency of doing something now is because the time is going in terms of retaining the hope of young Nigerians in the future and potential of Nigeria."

World Bank in a report in 2021, advised that Nigeria should end its expensive fuel subsidy regime within three to six months.

The World Bank said that the removal of the subsidy and aggressive reform effort could contribute more to growth than a sustained period of high oil prices.

It said that the government has already spent at least $2.1 billion (about N864 billion at N410.59 per $) on fuel subsidy in the first nine months of 2021.

With the present global financial crisis and increasing sovereign debt risk, and financing for development drying up, a developing country like Nigeria must look inward to finance its growth and development needs. Crisis times require bold reforms and the ability to take on one of the most difficult problems in his country is the hallmark of a true leader.

We advocate that the plan for removal of petroleum subsidy should not be abandoned. At the lapse of the 18-month grace period, the federal government should be bold enough and be decisive.

There will always be opposers to the plan but the boldness of the federal government to take decision when it matters most will be etched on the sand of time, that when it was tested with bold decision, Buhari led administration stood its ground.

Cont. from cover page

Fuel Subsidy Payment Continues, Says FG

subsidy payment to whatever period that we agreed was suitable for the commencement of the total removal, then we should do that.

"We discovered that practically, there is still heightened inflation and that the removal of subsidy would further worsen the situation and impose more difficulties on the citizens.

"President Muhammadu Buhari does not want to do that. What we are now doing is to continue with the ongoing discussions and consultations in terms of putting in place a number of measures.

"One of these include the roll out of the refining capacities of the existing refineries and the new ones which would reduce quantum products that would be imported into the country.

Fuel subsidy has been a subject of debate on the lips of industry experts, government officials and Nigerians considering the huge amount of money sunk into payment which sometimes run into trillions of naira annually.

In the 2022, provision for subsidy payments was made for just the first half of the year. However, the federal government has now backtracked and set aside the PIA which provides for complete deregulation.

As such, the federal government has proposed an 18-month extension for the implementation of the PIA originally scheduled to commence in February.

The Minister of State, Petroleum Resources, Timipre Sylva, announced the decision of the Federal Executive Council (FEC) recently.

President Muhammadu Buhari on August 16, 2021, signed the Petroleum Industry Bill into law.

Buhari's assent to the bill was in furtherance to the passage of the Bill by both the Senate and the House of Representatives earlier in July 2021.

The PIA is expected grow investors' confidence in Nigeria's Petroleum Industry and create more employment opportunities for the populace in the host communities.

Data from the NNPC Limited had revealed that Nigeria consumes about 19.535 billion litres of petrol yearly, averaging 1.6 billion litres monthly. With about N241 now paid on every litre as subsidy, this brings yearly subsidy to about N4.6 trillion.

But in a reversal that may unsettle the petroleum industry, the federal government suspended indefinitely its planned fuel subsidy removal and will now amend the 2022 Appropriation Act to accommodate the new change to provide for subsidy payments from July 1, saying it is clear to even the blind and audible to the deaf that the situation of the country does not allow for that at the moment.

In the same vein, the minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, explained that due to ongoing consultations, it was agreed that the planned removal of fuel subsidy should be shelved till further notice.

This action followed the pressure mounted by the Nigeria Labour Congress (NLC), which threatened to embark on a nationwide protest from January 27.

In the 2022 budget signed into law by President Muhammadu Buhari last month, the provision of petrol subsidy was till June 30, but NLC said fuel subsidy removal at this period of high inflation would be resisted.

In seeking a soft landing based on outcry from Nigerians, Ahmed, the Minister of State for Petroleum Resources, Timipre Sylva, and the Group Managing Director of NNPC Limited, Mele Kyari, met with the National Assembly leadership to amend the law to provide for an extension of subsidy provision beyond June 2022.

The Finance Minister said that the government had initially planned to remove subsidies on petroleum products from July, a reasonable provision was made in the 2022 national budget for subsidy payment till June.

She said: "Sequel to the passage of the PIA, which indicated that all petroleum products would be deregulated, we amended the fiscal framework to incorporate subsidy removal.

"However, after the budget was passed, we had consultations with a number of stakeholders and it became clear that the timing was problematic.

"We discovered that practically, there is still heightened inflation and that the removal of subsidy would further worsen the situation and impose more difficulties on the citizens.

"Mr. President does not want to do that. What we are now doing is to continue with the ongoing discussions and consultations in terms of putting in place a number of measures.

"One of these measures include the roll-out of refining capacities of existing refineries and the new ones, which would reduce the amount of products that would be imported into the country.

"We, therefore, need to return to the National Assembly to now amend the budget and make additional provision for a subsidy from July to whatever period that we agreed was suitable for the commencement of the total removal," she said.

Sylva said: "As far as I am concerned, at this point, it is a legislative duty. The law has been passed but there is no law that is cast in stone.

"It is clear to everyone that operationalising the law is not possible within six months framework that has been provided for and if that time frame provided for in the law is not feasible, then it is a legislative responsibility now to see what can be done in extending that time frame for it to be in the purview of the law.

"It is very clear to the blind and audible to the deaf that it is not feasible at this time to remove subsidy. I know that some naysayers or political pundits want to bring politics into it but it is not within the contemplation of this administration now to remove subsidy."

President of the Senate, Mr. Ahmad Lawan, therefore, urged the organised labour unions in the country to shelve their proposed nationwide protests, as it was no longer necessary.

"There is need at one point to do away with subsidy but the President genuinely feel for Nigerians, particularly the most vulnerable. Significant arrangement for absorbing the shock that will come with the removal should be done and the timing is such that the impacts and consequences will not add to the hardship."

He said the sympathy for Nigerians is not about NLC. "We are talking about every Nigerian. NLC is just an organised part of the system. Our concern is beyond NLC.

"I am taking this opportunity to speak to TUC and NLC to shelve this their plan to go on strike or demonstration. It is totally unnecessary. There is not going to be the removal of

Cont. on page 22

We discovered that practically, there is still heightened inflation and that the removal of subsidy would further worsen the situation and impose more difficulties on the citizens

'I Am Alive', Consequential Adjustment Payment Makes PTAD's Major Achievements In 2021

Musa Ibrahim

The Pension Transitional Arrangement Directorate (PTAD), under its Executive Secretary, Dr. Chioma Ejikeme, is now spearheading one of the most reformed pension systems under the defined benefits scheme (DBS).

From capacity building for journalists on improve reportage, to the launch of the 'I'Am Alive' confirmation platform as well as the implementation of the consequential adjustment for pensioners, 2021 indeed was a busy one for the directorate.

Recently at the capacity building outing, Dr. Ejikeme charged journalists to ensure accurate and reliable reportage of the pension administration system.

Ejikeme, who was represented by Mr. Abdallah Abubakar, (Director, Customs, Immigration and Prisons Pension Department), said that the workshop was to adequately inform the pension correspondents about the Act establishing PTAD, its mandate, the different operational departments in the directorate.

"It is very important, as reporters, to understand where we are coming from, and what exactly we do, so you can fully appreciate where we are and report accurately. Pension management in Nigeria is a very sensitive issue, and PTAD has been at the forefront since inception, ensuring that the welfare of pensioners under the DBS remains a priority.

"As our partner in progress, we rely on the media, especially our reporters, to work with us to ensure that this mandate is fulfilled. It is our intention to foster the already-robust relationship between PTAD and the media, correct all misrepresentations and inform them of next steps we intend to take as we work hard to ensure that the welfare of our pensioners is sustained," Ejikeme said.

The directorate said that its recently launched web-based verification platform for retirees under the DBS codenamed 'I Am Alive', had received over 7,000 hit attempts for verification, with 5,010 being successful.

Also, the directorate noted that 55 percent of those who were successful did so through facial recognition, while 45 percent did it by fingerprint.

"The use of the digital verification exercise was launched to ease the process of future validation of pensioners on our payroll and was still at the testing phase.

Meanwhile, The PTAD had said that efforts were in place to recover over N40 billion unremitted investments proceeds undertaken by various underwriters on behalf of many defunct agencies which the directorate has inherited their liabilities.

PTAD also stated that over N17 billion had been spent so far on settling various outstanding pension arrears, also stating that huge progress would be recorded in pension payouts upon receipt of the N40 billion currently trapped with underwriters.

Dr. Ejikeme made the disclosure in Abuja at the official finalisation of the payment of inherited unfunded liabilities to pensioners of defunct federal agencies.

According to her, the significant thing with the event was that the directorate used the occasion to announce the complete settlement of the liabilities of two defunct agencies: the New Nigerian Newspapers and the Nigeria Reinsurance Corporation.

"We are no longer owing them arrears. In terms of the liabilities that we have with the investments with the insurance underwriters, we have some of them that have not remitted the funds that they have; almost N40 billion. If we are able to get the money, it will go a long way to help us liquidate the remaining liabilities.

"The pension liabilities that are to be paid today are the arrears which accumulated between the time, when the lump sum pension was earlier paid to October, 2018 when the disengaged workers were enrolled to the monthly pension by PTAD, and therefore represent the unfunded pension liabilities that were due to these pensioners at the time the directorate inherited them.

Be rest assured that nobody can tamper with your pension payment through the 'I Am Alive' platform

"We will today complete the payment of all outstanding liabilities due to ex-workers of two of the defunct agencies namely; Nigeria Reinsurance Corporation (total 126 inherited months completely liquidated) and New Nigeria Newspapers Limited (Total 219 inherited months completely liquidated). We will also settle a significant portion of the outstanding liabilities due to the ex-workers of another three defunct agencies — NICON Insurance Corporation, Delta Steel Company Limited and NITEL/MTEL. The directorate did not inherit any pension assets from these defunct/privatised agencies to help offset these liabilities at the time of take-over", she explained.

PTAD has paid an additional nine months of consequential adjustment arrears occasioned by the new minimum wage increase of 2019 to civil service pension department pensioners and six months of the same arrears to parastatals, police, customs, immigration and prisons department pensioners. This brings the arrears paid so far to a total of 18 out of the 24 months arrears of the pension increment.

Dr. Ejikeme made this statement in her response to the commendations from pensioners on the payment of the arrears.

It would be recalled that in May, 2021, the directorate implemented the consequential adjustment on pensions as a result of the minimum wage increment of 2019 and commenced payment of arrears to the pensioners of the four operational departments as directed by President Muhammadu Buhari.

The civil service pensioners were paid nine months of the arrears while parastatals, the Police and Customs Service, Immigration and Correctional Service pensioners were paid 12 months arrears in May.

With this payment, each of the pensioners in the four operational departments would have a balance of six months arrears left to be paid.

According to the Executive Secretary, the payment was to further support DBS pensioners, especially during the festive period of the celebration of the year's Eid– el Kabir. Then, while wishing all Muslim pensioners a Happy Eid-el Kabir, she promised to continue to support and promote the welfare of the senior citizens in accordance with the mandate of the directorate.

In efforts to tackle the ghost pensioner debacle, the federal government, through PTAD, introduced a digital enrollment initiative called 'I am Alive' for pensioners in Nigeria.

Dr. Ejikeme said that the initiative would be used to biometrically capture pensioners on any smart phone to confirm that they are still alive and eligible for payments.

The PTAD boss explained that the scheme would facilitate easier, faster and more friendly verification for the senior citizens as well as enable the directorate to eliminate deceased beneficiaries from its database to conserve funds to pay those that are alive.

"I am Alive' confirmation solutions is a web-based software designed to enable our pensioners to easily confirm that they are alive from the comfort of their homes or neighbourhood, using either a smartphone or a computer system.

Ejikeme said: "This solution takes the pensioner through a three-step confirmation process that ends with a text message response. The first stage is the identification process where the pensioner enters his or her number and bank account, the second stage is the photo capturing stage which will be validated with the existing picture in the PTAD database and finally the third stage where the pensioner performs the aliveness validation by moving his/her face to follow the moving object on the screen."

The Executive Secretary also warned the senior citizens to note that the process does not require bank verification number (BVN), automated teller machine (ATM) card details and ATM card pin. She advised them to beware of fraudsters who may want to take advantage of the scheme to swindle pensioners.

She stated that the exercise would be done in batches starting with 50,000 pensioners across the four operational departments and the six geopolitical zones.

She revealed that all pensioners who are part of the pilot phase had been notified by PTAD via SMS. She pointed out that those who did not get any notification are not part of the pilot phase and would not be able to gain access to the platform to confirm their aliveness.

She also stated that all pensioners would be duly informed when the application is deployed on a full scale and is available for pensioners.

"On the successful implementation of this pilot phase, we will deploy the application on a full scale at predetermined intervals on a continuous basis for all verified pensioners on the payroll. We wish to use this opportunity to assure our esteemed pensioners that the 'I Am Alive' confirmation solution was designed with their utmost welfare in mind leveraging on accuracy, reliability, user friendliness and convenience. We had promised that the era of bringing out our aged pensioners for field verification is over, and we stand by our promise.

"Be rest assured that nobody can tamper with your pension payment through the 'I Am Alive' platform. If somebody with a smartphone or computer system in your neighbourhood helps you to confirm your aliveness, the person cannot steal your money. All we need is confirmation that you are still alive so that we can continue to pay your pension", she stated.

The Deputy Director of Pension Support Services Department (PSSD), Mrs. Amina Abdullahi, speaking on the 'I Am Alive' confirmation, explained that the web-based solution is to confirm that pensioners are alive.

According to her, the initiative is a web-based solution to confirm the 'aliveness' of verified pensioners on PTAD monthly pension payroll, so that they can continue to receive a monthly pension. 'Web-based solution' simply means that it can be accessed either with a computer or a phone. Pensioners can access the 'I Am Alive' confirmation application from their homes or residential locations, without the need to go to the PTAD's office," she said.

Stating the benefits, she said that the application is convenient, easily accessible, secures authentication, takes short time, saves cost and allows PTAD periodically to update the pensioners' database.

NEWS IN PICTURES

The Honourable Minister of Finance, Budget and National Planning, ***Mrs. Zainab Ahmed****, with her Petroleum Ministry counterpart, Hon. Minister of State, Petroleum,* ***Mr. Timipriye Sylva****, were at the National Assembly for an interaction with the leadership of the Assembly on the issue of fuel subsidy removal*

NEWS IN PICTURES

*The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, was in **President Muhammadu Buhari's** entourage on a two-day official visit to Kaduna State. The President commissioned various infrastructural projects under the Kaduna urban renewal project*

How Nexim Bank Is Promoting MSMEs Development In Nigeria

The Nigeria Export Import (NEXIM) Bank has over the years facilitated a number of credit facilities for Nigerian businesses to sell oversees and promote their brands, ***Musa Ibrahim*** *writes.*

Abubakar Abba Bello, Managing Director / Chief Executive

The bank has made Micro, Small and Micro Enterprises (MSMEs) Development a cardinal agenda in fulfilling its mandate, especially at a point when the federal government is preaching the need to promote Made-in-Nigeria products.

A review of **Fmfinsights** shows that a number of collaborations has yielded some credit facilities and other funds that have been disbursed by the agency in 2021. For instance, the African Export Import (AFREXIM) Bank and NEXIM signed a partnership agreement to implement various transactions valued at about $500million.

The signing ceremony took place on Thursday,18th November, 2021 on the sideline of the Intra-African Trade Fair in Durban, South Africa with Mrs. Kanayo Awani, Managing Director, Intra-African Trade Initiatives, signing on behalf of Afrexim bank, while the Managing Director /Chief Executive, NEXIM Bank, Mr. Abba Bello, signed on behalf of his bank.

The document sighted by **Fmfinsights** indicates that the agreement covers four major areas, with the overall objective of promoting international trade and boosting trade between Nigeria and other African countries. The key areas include the Pandemic Trade Impact Mitigation Facility (PATIMFA), under which Afreximbank has provided $25million in the first instance to alleviate the economic and business impact of the COVID-19 pandemic on Nigeria businesses.

NEXIM will utilise the facility for continuous funding of exporters, particularly SMEs, many of whom were adversely impacted by the disruptions of the global value chain and other fallouts of the pandemic.

There is $400million credit facility to support the rehabilitation and modernisation of Nigerian ports as well as development of new inland ports as part of efforts to improve trade and infrastructure. There is $50million loan for acquisition of badges for fleet expansion in furtherance of the regional shipping operation (theSealinkproject) being promoted by NEXIM.

And there is $350,000 grant provided to support the charting of the main channels of the river Niger and Benue to facilitate navigation and successful shipping operations.

The President of AFREXIM, Professor Benedict Oramah, had earlier observed that PATIMFA was launched by AFREXIM bank to assist member countries in managing the financial, economic and health shocks caused by the pandemic.

He added that the bank aims to help in preserving and promoting economic stability of member countries through the period of the global uncertainty and that the fund would ensure that trade debt payments that fall due are honoured, and that it supports the stabilisation of foreign exchange resources in order to preserve the flow of critical imports.

Mr. Abba Bello, Managing Director of NEXIM Bank, also welcomed the intervention and thanked AFREXIM bank for the continued partnership. He noted that the $25million provided under PATIMFA would be used to refinance a portion of NEXIM bank's existing loan portfolio to provide short term liquidity for further lending activities by the bank to companies operating in the non-oil exports sector of the country.

Bello noted that the bank's effort to promote the regional shipping company (theSealinkProject) was in response to the need to boost trade within the regional market and that the scope of the project was later expanded to include the development of inland waterways to facilitate the export of bulk cargo and unlock opportunities in solid mineral sector.

Subsequently, the Nigerian Content Development and Monitoring Board (NCDMB) in partnership with NEXIM bank in Q3 2021 launched a $40 million intervention fund for women entrepreneurs in the oil and gas sector.

Simbi Wabote, NCDMB Executive Secretary, and Abubakar Bello, NEXIM bank Managing Director, signed the memorandum of understanding (MoU) on the administration of the fund.

Both the NCDMB and NEXIM bank will contribute $20 billion each to the target beneficiaries, which include firms where: women hold majority shareholding of 51 percent; at least 50 percent of management are women; chief executive officers and at least 40 percent of management are women.

The roll out of the funds commenced immediately and the scheme availed both startups and existing companies within the oil and gas sector.

The scheme covers manufacturing, oil service contracts, environment management, leasing, logistics, catering and training.

According to the NCDMB Executive Secretary, beneficiaries can borrow up to $500,000 and the tenor will be five years while the interest rate for the loan will be five percent per annum.

Wabote further said that all applications will be conducted online and the maximum processing time shall be 21 working days from the date the applicant has provided all required documentation.

In his remarks, Bello said that the partnership with NCDMB fits into the bank's framework for supporting inclusion as well as its strategy to grow the service industry in Nigeria and take it to the point of export to the West African region and other oil and gas economies.

Similarly, both firms had signed an MoU on the administration of a $30 million working capital fund for oil and gas service companies.

N36 Billion Fund For MSMEs

Also in 2021, NEXIM bank launched a N36 billion Export Development Fund to be disbursed to targeted export-oriented projects in the small and medium-sized enterprises (SME) sector across the country.

It was launched by Managing Director/ Chief Executive, Mr. Bello in Akure at the exporter enlightenment forum for the South West region.

Bello then pointed out that a minimum of N1billion for every state of the federation to be disbursed to targeted export-oriented projects in the SME sector.

Bello said: "As the nation's export development bank, the NEXIM bank is in the vanguard of promoting economic diversification, towards increased jobs creation and foreign exchange earnings for the country.

"In this regard, and in line with the zero-oil plan of the federal government, which seeks to develop at least one exportable commodity in every state of the federation, we have launched the State Export Development Fund. Under this programme, we have earmarked a minimum of N1billion for every state of the federation to be disbursed to targeted export-oriented projects in the SME sector, towards crowding in investment and promoting regional industrialisation and economic development.

> ***As the nation's export development bank, the NEXIM bank is in the vanguard of promoting economic diversification, towards increased jobs creation and foreign exchange earnings for the country***

"This fund is also expected to support the various states to benefit from the opportunities provided by the African Continental Free Trade Agreement (AfCFTA) to which Nigeria is a signatory.

"As you may all be aware, the AfCFTA, which commenced in January 2021, comes with enormous benefits, including a borderless market of about a 1.2billion people, with a combined gross domestic product (GDP) of about $3.4trillion.

Mr. Bello has said that the bank would address the dearth of bankable projects and increase the flow of funds to SMEs.

To achieve this, he stated that NEXIM bank is partnering with AFREXIM bank to establish a project preparation fund (PPF), through which both institutions have agreed to raise an initial amount of $50 million to support the pre-investment phase in a project preparation circle, adding that it is expected that the fund would address the dearth of bankable projects and increase the flow of funds to SMEs.

He disclosed this at an enlightenment and engagement workshop on export for SMEs in Kaduna on the sidelines of the Kaduna International Trade Fair.

Bello recognised the role of SMEs in cross border trade, and the need to mainstream informal export activities, particularly within the context of the AfCFTA. He also stated that the bank had also established an SME desk to respond specifically to the needs of small businesses.

The bank added that under its trade facilitation role, particularly towards enhancing the competitiveness of Nigerian exporters in the regional market, it has continued to promote the regional Sealink project to bridge the maritime infrastructure gap thereby improving trade connectivity for coastal and hinterland trade.

The project is expected to boost access for Nigerian manufactured exports within the regional market and solid minerals export globally.

Bello informed that NEXIM bank has retooled its operations over the past four years and is now better positioned to serve the people.

Boasting Trade Through Waterways

Meanwhile, NEXIM has also promised to boost trade across Africa when its sea transportation and logistics company becomes operational.

Mr. Bello said that the company, which is christened sealink company, is expected to raise the bar in trading across Africa.

On what the company would contribute to the economy, Bello said: "There is enormous potential and one of the biggest, aside from the creation of jobs that comes automatically to the maritime industry and other sectors, that will open up, for instance, is mining.

"Today mining contributes only three percent to the GDP, and while there are challenges, one of the things stopping the development of that industry is the evacuation of the minerals. Many of them are heavy minerals and we do not have the logistics capacity to move them to the ports for evacuation.

> ***This fund is also expected to support the various states to benefit from the opportunities provided by the African Continental Free Trade Agreement (AfCFTA) to which Nigeria is a signatory***

"Luckily, most of the mineral resources are within the central area and the river cuts across and we think that by operationalising the sealink consortium, one of the biggest beneficiaries will be the mining sectors; jobs will be created, and additional revenue will be generated.

"We all know what is happening in Apapa; we cannot continue relying on Apapa as the only evacuation and receiving port in Nigeria. So, we have to look at other jetties."

More Activities In Mining Sector Loading

Mr. Abba Bello did disclose that Nigeria has a huge solid minerals endowment with over 34 solid minerals available in commercial quantities.

He noted that since he took over the helms of affairs in NEXIM bank, he has developed targeted products to unlock opportunities in the sector, including the contract financing scheme and the equipment leasing framework.

The Managing Director also said that over the next few years, the solid minerals sector would increasingly realise the benefits of NEXIM bank's intervention.

Bello said this during a working visit to the Dutse Granite Company Limited, which is Nigeria's indigenous operator in the solid minerals sector that has commenced operations.

He stated that the objective of the bank was to ensure creation of jobs and to support forex earnings for the country.

He said that in spite of this, the sector accounts for less than one percent of the country's GDP and contributes less than one percent of non-oil exports revenue.

Bello mentioned that part of challenges of the solid minerals sector was poor access to finance, given the capital-intensive nature of mining projects and the need for long term funds.

The Dutse Granite Company is based in Sharada Industrial Area, Kano, which produces granite tiles and slabs for import substitution and export. The company, which was incorporated in 2011, was first financed by NEXIM bank in 2015, but somehow encountered some challenges.

According to the managing director of the bank, this led to disbursement of more money in 2018 and 2019, to enable the company acquire state-of-the-art processing machinery and equipment.

NBS Driving Statistical Efficiency For Economic Development

Musa Ibrahim

President Muhammadu Buhari in August 2021 appointed Dr. Simon Harry as the new Statistician-General of the Federation (SGF) to head the National Bureau of Statistics (NBS).

Dr. Harry succeeded the out-going Statistician-General, Yemi Kale, whose second term tenure of five years expired on August 16, 2021.

Barely five months into his tenure, the Statistician-General is already consolidating on the achievements of his Predecessor.

Fmfinsights highlights some of the activities in the short term of Dr. Harry as the SGF. For instance, at the recently celebrated National Statistics Day, he said that the NBS is currently collaborating with other data producing agencies in Nigeria to put up the necessary infrastructure to modernise the national statistical system.

While speaking on the theme: 'Modernising National Statistical Systems to support Socio-cultural Development in Africa', the 2021 celebration was in line with an aspect of the vision of the current administration devoted to raising awareness on the importance of credible statistical production processes and the usage for evidence-based policy formulation.

He stated: "The NBS, the apex statistical agency in Nigeria, in collaboration with other data producing agencies, are putting in place necessary infrastructure in an effort to modernise the national statistical system. This is in an effort to facilitate the production of basic statistical information capable of meeting the expectations of the nation.

"Let me use this opportunity to urge all users of statistics to establish close communication with producers of statistics as a way of ensuring that data produced are relevant and can be used. As a matter of fact, statistical information are such important tools that their production processes need to be demand-driven, apart from other regular statistical exercises.

"This, therefore, calls for a strong synergy between producers and users of statistics. I believe this was one of the objectives that the declaration of African Statistics Day was aimed at achieving."

Speaking further, he added: "Sociocultural integration enhances economic growth and development. It is a key strategy for strengthening intra-regional trade and is expected to produce considerable economic gains for Africa.

28 years After, Agriculture Sample Census on the Way

In almost 28 years after the exercise was conducted lastly, the NBS has disclosed plans to conduct another national agricultural sample census, which will provide data on the composition and operations of the sector in Nigeria.

Highlighting the importance, Dr. Harry stated that the agricultural sector has significant economic and social benefits for the nation, also saying it was necessary to have reliable statistics on the sector.

"It is, therefore, pertinent that adequate, timely and reliable statistics on the sector are readily available for policy formulation, planning, monitoring and evaluation of the progress of programmes and projects," he added.

Q3 GDP Report Promising For Economy

Just for the purpose of this review, the **Fmfinsights** has decided to again highlight the Q3 GDP. In the year 2021, Nigeria's Gross Domestic Product (GDP) grew by 4.03 percent (year-on-year) in real terms in the Q3 2021, showing a sustained growth over the last four quarters since the recession witnessed in 2020.

According to the GDP report published by NBS, Nigeria's real GDP grew by 4.03 percent in Q3 2021, representing a slower growth compared to 5.01 percent recorded in the previous quarter. On a quarter-on-quarter basis, real GDP grew by 11.07 percent in Q3 2021 compared to Q2 2021, reflecting a higher economic activity than the preceding quarter.

Meanwhile, the oil sector contracted by 10.73 percent year-on-year in the same period. The contraction, which is largely attributed to decline in crude oil production. Notably according to the NBS, Nigeria oil production in the review period stood at 1.57mpd compared to 1.61mbpd recorded in the previous quarter and 1.67mbpd recorded in the corresponding period of 2020.

On the other hand, the non-oil sector grew by 5.44 percent in real terms during the reference quarter (Q3 2021). The growth recorded in the non-oil sector was mainly driven by trade, Information and Communication (Telecommunication).

Other drivers include financial and insurance (financial institutions); manufacturing (food, beverage and tobacco); agriculture (crop production); and transportation and storage (road transport).

In real terms, the non-oil sector contributed 92.51 percent to the nation's GDP in Q3 2021, higher from the share recorded in the Q3 2020 which was 91.27 percent and lower than the Q2 of 2021 recorded as 92.58 percent.

Highlights

In Q3 2021, aggregate GDP stood at N45.1 trillion in nominal terms. This performance is higher when compared to the third quarter of 2020 which recorded aggregate GDP of N39.1 trillion. This represents a year-on-year nominal growth rate of 15.41 percent.

Manufacturing sector in real terms grew by 4.29 percent year-on-year in Q3 2021 compared to a contraction of 1.51 percent recorded in the corresponding period of 2020.

Rail transportation and pipeline expanded by 59.93 percent in Q3 2021, an improvement compared to 53.28 percent recorded in the previous quarter, and even more compared to a contraction of 46.64 percent recorded in Q3 2020.

Financial and insurance sector grew by 23.23 percent from a decline of 2.48 percent recorded in Q2 2021 and 3.21 percent growth recorded in the corresponding period of 2020.

Meanwhile, oil refining contracted by 47.83 percent in the review period, representing the sector with the highest contraction in Q3 2021.

Agriculture contribution to the nation's GDP increased from 23.78 percent recorded in the previous quarter to 29.94 percent in the review period. When compared to the corresponding period of 2020, it however reduced by 0.83 percent points from 30.77 percent recorded in Q3 2020.

Imports Report

Also in the Q3 2021, NBS had reported that importation into the country stood at N8.2 trillion.

According to NBS, Nigerian export trade was mainly dominated by Crude Oil, which amounted to N4 trillion.

Meanwhile, Premium Motor Spirit (PMS) valued at N1.05 trillion topped Nigerian import trade.

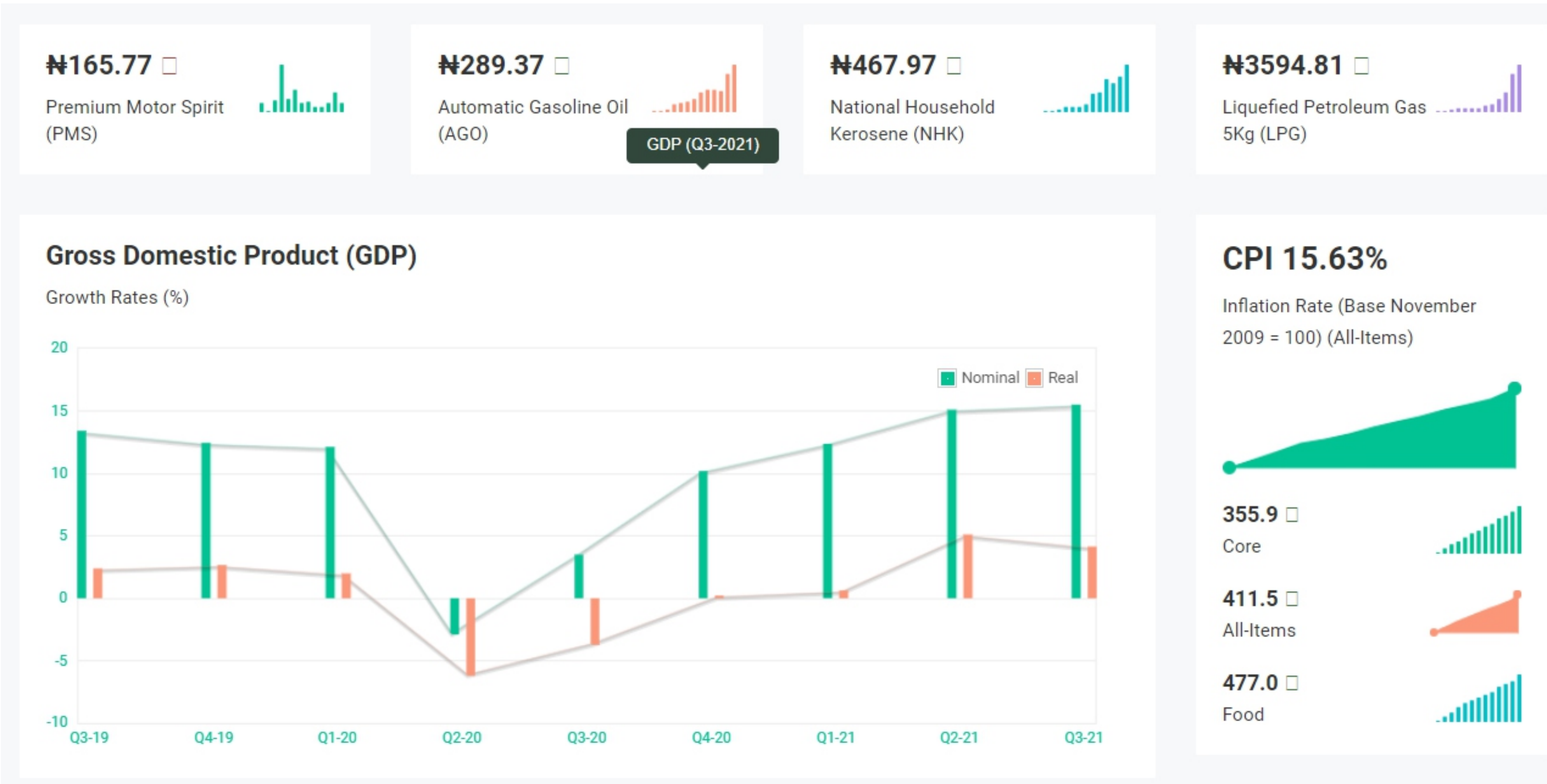
According to Dr Harry, "In terms of exports, Nigerian export trade was mainly dominated by crude oil which amounted to N4trillion (78.47 percent) of total export in Q3. This was followed by natural gas, liquefied with 487.49billion (9.50 percent), floating of submersible drilling platforms with N163.70billion (3.19 percent) and urea, whether or not in aqueous solution with 107.17billion (2.08 percent).

"On the other hand, imports were mainly motor spirit valued at N1.1trillion (12.91 percent), dur wheat valued at 315.17billiom (3.87 percent), gas oil with n225.63billion (2.77 percent), used vehicles n185.41billion (2.27 percent).

NBS noted that collection of data is majorly from secondary data sources such as the Nigeria Customs Service (NSC), Nigeria National Petroleum Company (NNPC), Nigerian Midstream and Downstream Petroleum Regulatory Authority (NPRA), Central Bank of Nigeria (CBN), Nigerian Export Procession Zone Agency (NEPZA).

Others include the Nigeria Liquified Natural Gas Limited (NLNG), Nereli Technology Limited, Gojopal Nigeria Limited, Anglia International Limited, Oil and Gas Free Zone Agency (OGFZE), Nigeria Electricity Regulatory Commission (NERC), Federal Airports Authority of Nigeria (FAAN), Nigeria Civil Aviation (NCAA), Nigeria Port Authority (NPA), among others.

Meanwhile, at a stakeholder engagement forum, the new NBS Chief had pledged the resolve of the NBS to continue producing data that would be relevant to the growth and development of the country.



Source: NBS

It is, therefore, pertinent that adequate, timely and reliable statistics on the sector are readily available for policy formulation, planning, monitoring and evaluation of the progress of programmes and projects

Critical Infrastructure Investment: A Peep Into NSIA's Giant Strides

Musa Ibrahim

Created in 2011 through the Nigeria Sovereign Investment Authority (NSIA)Act, the Authority was set up as an investment institution of the federation to manage funds in excess of budgeted oil revenues.

As a Fund, the NSIA invests in real and financial assets including stocks, bonds, real estate as well as alternative investments such as private equity funds or hedge funds.

As such, for these investment purposes, the NSIA established three main funds: Stabilisation Fund, the Future Generations Fund and the Nigeria Infrastructure Fund. The stabilisation fund is to provide budget support in times of economic stress; the future generations fund is an inter-generational savings fund for future generations of Nigerians and the Nigeria infrastructure fund is to invest in domestic infrastructure.

The NSIA has continued to grow Nigeria's assets while also investing on critical infrastructure on behalf of the federal government.

Only recently, in its 2020 audited financial statement, the investment institution said that it grew income from N36.15 billion in 2019 to N160.06 billion in 2020.

NSIA attributed the performance to its investments in international capital markets, improved contributions from subsidiaries/affiliates and exchange gain from foreign currency positions.

As stated in the financial report, NSIA recorded N109 billion as core income compared to N33.07 billion recorded in 2019, excluding devaluation gain of N51 billion.

The authority, which manages Nigeria's sovereign wealth fund, said the growth in assets reflects strong financial performance and consistent implementation of strategic infrastructure investment programmes.

Highlights of NSIA's activities and performance during the period showed that the authority recorded 343 percent growth in total comprehensive income to N160.06billion in 2020 as against N36.15billion in 2019.

The NSIA also received an additional contribution of $250million, and provided first stabilisation support to the federal government where $150million was withdrawn from the stabilisation fund.

Commenting on the performance, Mr. Uche Orji, Chief Executive of NSIA, said that the authority received $311 million from funds recovered from the late General Sani Abacha from the US Department of Justice and Island of Jersey.

This amount, he stated, was deployed towards the Presidential infrastructure development fund projects of Abuja-Kaduna-Kano Highway, Lagos-Ibadan Expressway and Second Niger Bridge.

He noted that COVID-19 adversely affected logistics around infrastructure projects, especially the toll road projects and the presidential fertilizer initiative.

Highlighting other performance, Mr. Orji said that in response to COVID-19, the NSIA partnered with Global Citizen, a not-for-profit group, to form the Nigeria Solidarity Support Fund.

He also noted that the NSIA acquired and distributed oxygen concentrators to the 21teaching hospitals as part of corporate social responsibility (CSR) in addition to staffing support to the Presidential taskforce on COVID-19.

On the performance of the Nigeria Infrastructure Fund, the NSIA CEO said that the authority reached major milestones across domestic infrastructure projects, specifically in motorways, agriculture, and healthcare.

Investing in HealthCare

For instance, in the area of healthcare, the NSIA operationalised the NSIA-Kano Diagnostic Centre; operationalised the NSIA-Umuahia Diagnostic Centre and Commissioned administrative and training centre for the NSIA-LUTH Cancer Centre.

The authority also commenced a plan to roll out additional healthcare projects across the country, while partnering with University College London Consult to develop a pharmaceutical investment strategy with a plan to develop active direct investments in 2021.

Mr. Orji said that the NSIA had also completed the construction of 3,000 hectares Panda Agric Farm in Nasarawa, which is the first project of the UFF-NSIA partnership.

In the area of financial markets infrastructure, he noted that the NSIA has significantly improved contributions from subsidiaries/affiliates such as Infrastructure Credit Guarantee Company (InfraCredit), Nigeria Mortgage Refinance Company (NMRC) and Family Homes Funds Ltd (FHFL).

He explained that the authority has also invested additional capital into NG Clearing, the first derivative clearing house in Nigeria to maintain NSIA's shareholding at 16.5 percent, following the company's rights issue of 2020.

Mr. Orji stated that the NSIA has admitted InfraCo Africa, a PIDG company based in the UK as 33 percent shareholder in InfraCredit, thus reducing NSIA's stake from 50 percent in 2019 to 33 percent in 2021.

For its innovation fund, Mr. Orji said that the NSIA launched its Nigeria innovation fund to address investment opportunities within Nigeria in information technology, with the immediate pipeline that includes data networking, data centers, software, and services as well as Agri-tech and Bio-tech.

In the area of gas industrialisation, he noted that the authority has made significant progress on developing the ammonia and diammonium phosphate production plants in partnership with **OCP**.

Uche Orji, MD, NSIA

For the future generations fund, Orji said that the NSIA has significantly changed asset allocation, completely changed and expanded the stability of hedge fund managers, made commitments into the venture capital sector and commenced direct trading and co-investments in equities with selected ventured capital and private equity managers.

For the stabilisation fund, he noted that the authority has been able to liquidate a portion of the stabilisation fund assets in 2020 to meet the $150 million redemption that augmented the July 2020 Federation Account Allocation Committee (FAAC) to all three tiers of government.

Driving ESP Growth

In implementing the Economic Sustainability Plan (ESP), the NSIA says it is investing in the off-grid renewable space in partnership with the rural electrification agency (REA).

The solar power naija program is being launched under President Buhari administration's ESP and supervised directly by the Vice President, Prof. Yemi Osinbajo.

The NSIA-REA partnership will see the NSIA creating an initial revolving fund of N10 billion for qualified developers to distribute and manufacture solar home systems.

The fund will be accessible by Nigerian electrification program qualified developers under the existing REA and World Bank scheme that guides technical qualification and provides grants for developers to invest and participate in off-grid electrification projects. The REA under the Ministry of Power will provide technical and advisory support to the NSIA as it rolls out the program.

This investment by NSIA is targeted at catalysing 200,000 off-grid connections in the first instance with a goal of reaching over 500,000 systems as the fund revolves and is expanded through to 2023.

The program is estimated to also create up to 20,000 jobs across manufacturing, assembly, installation and retail over the period. Additionally, this partnership will help Nigeria meet its ESP target of increasing electrification, as this is a step towards creating 5 million solar connections over the next few years.

At completion, it is expected that this investment will demonstrate locally that the solar off-grid space is an investable segment of the power market.

Speaking on the partnership and the programme, Ahmad Salihijo, MD/CEO of the REA, said: "The partnership with NSIA is exciting in so many ways. We believe this investment commitment as approved by the NSIA board is a harbinger for increased investments in the off-grid renewable space that will help Nigeria achieve its goals under COP 26 and eliminate the electrification gap in the country".

Mr. Orji in his comment said: "NSIA continues to prioritise climate-smart infrastructure to create access to affordable power to Nigeria's underserved communities, particularly in the rural areas. NSIA recognises the latent potential in these communities and believes that access to power is fundamentally important to enhancing the capacity of SMEs in these communities to support the economic growth of the country and employment creation".

$350 Million Saved With Presidential Fertilizer Initiative

The NSIA said that it has saved over $350 million from the erstwhile payments on subsidy and import substitution through the implementation of the Presidential fertilizer initiative (PFI).

The agency said that the initiative, which is in its fourth year, has delivered on key outcomes including over 30 million bags of 50kg NPK 20:10:10 equivalent spanning project period and price reduction on fertilizer from over N10, 000 to under N5, 500.

The agency said that food security has been achieved by facilitating increase in domestic food production through the provision of affordable, high-quality fertilizer.

It disclosed that 41 blending plants have been resuscitated from an initial number of four plants at project inception, stating that an estimated 250,000 jobs (direct and indirect) across the agriculture value chain, including logistics, ports, bagging, rail, industrial warehousing, and haulage touch points amongst others have been created.

Recall that following notable successes and transformative impact of the PFI over the past four years, the presidency approved its restructuring, starting in the 2021 cycle with various modifications.

The Chairman, Implementing Committee of the PFI and Executive Governor of Jigawa State, Mohammed Abubakar Badaru, said that the programme has in many ways served to augment the

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Nigeria Now Largest Producer Of Rice In Africa, *Says Emefiele*

- **As Rice Farmers Hint On Exportation Soon**

The Central Bank of Nigeria (CBN) has through the Anchor Borrowers Programme empowered not less than 3 million rice farmers to boost the value chain. In this report, Our Correspondent, ***Musa Ibrahim*** *examines the apex bank's efforts.*

The Anchor Borrowers Programme (ABP) introduced in 2016 was indeed the turn of a new era in Nigeria's rice value chain as the country witnessed significant increase in production of paddy.

Recently, the Central Bank of Nigeria (CBN) Governor, Mr. Godwin Emefiele, said that with Nigeria producing about 9 million metric tons of rice as at the end of 2021, the country has now become the highest producer of rice in Africa.

Mr. Emefiele said this in Abuja during the unveiling of the Federal Capital Territory (FCT) mega rice pyramid under the ABP of the CBN.

He said that the programme has catalysed the rural economy and has built a sustainable framework for financing small holder farmers in Nigeria.

The apex bank governor stated that the expansion in the production of rice has not only made Nigeria the largest rice producer in Africa, but has also unlocked enormous private sector investment in the rice value chain.

Specifically, Mr. Emefiele said that the number of integrated rice mills has grown astronomically from six in 2015 to over 50 in 2021 with a lot more in various stages of completion.

The programme, according to him, has developed an ecosystem among all nodes of the agricultural value chain, further stating that the linkages could be better optimised through synergy, among all stakeholders.

The CBN Governor also stated that as at the end of December 2021, the apex bank has financed 4,489,786 farmers that cultivated 5,300,411 hectares across 21 commodities through 23 participating financial institutions in the 36 States of the federation and the FCT.

He said: "We are delighted that these efforts have yielded fruits in not just increasing the availability of rice, but also in moderating prices, reducing imports and increasing job creation in the country.

"For example, Thailand alone exported 1.3 million metric tons of rice to Nigeria in 2014. The ABP was launched to curtail the imports, and since then, we have seen incremental reductions in rice imports from Thailand.

"By 2016, rice imports from Thailand had fallen to only 58,000 metric tons. As of the end of 2021, they only exported 2,160 metric tons to Nigeria, thereby saving us foreign exchange and helping preserve jobs in Nigeria.

"Beyond increasing our national output from about 5.4 million metric tons in 2015 to over 9 million metric tons in 2021, we have also significantly improved the productivity per hectare of the smallholder farmer from about 2.4 metric tons per ha in 2015 to between about five metric tons per ha in 2021.

"These expansions have not only made Nigeria the largest rice producer in Africa, but has also unlocked enormous private sector investment in the rice value chain as the number of integrated rice mills grew astronomically from six in 2015 to over 50 in 2021 with a lot more in various stages of completion."

Mr. Emefiele explained that currently, Nigeria's milled rice can compete effectively with the foreign rice in quality.

He stated: "Our experience over the years has been transformed to operational efficiency of the programme. We have added several layers of controls to improve on transparency and accountability among all stakeholders, and what you are witnessing today is a demonstration of our growth and a strong indication of the enormous potential in the country's agricultural space.

"It is important to note that this is still a far cry from the desired goal. However, the growth processes reaffirm our belief in the potential inherent in our agricultural space and we can hopefully harness them to lead the diversification agenda of the economy."

The CBN Governor said that the mega pyramids being launched represents aggregated paddy rice submitted as repayment of loans by Rice Farmers Association of Nigeria (RIFAN) under the 2020 dry season and 2021 wet seasons.

Beyond the event, he said that the ABP also symbolises the efforts made by farmers to commit to loan repayment through produce submission and ultimately ensure the sustainability of the programme.

To further create value and transfer the gains along the value chain, he explained further that the bank had mapped millers to off-take these paddies, noting that the CBN will track the release of their outputs to the market so as to manage inflation and grow the rice value chain in Nigeria.

Recalled that in his remarks, the National President of RIFAN, Aminu Mohammed Goronyo, identified that the rice in the pyramid was obtained from local rice farmers across the country.

"The unveiling of the world's largest rice pyramid appears to be no more than an opportunity to applaud the success of the ABP. The programme deserves applause for its work in promoting agriculture and local production as exemplified by the increase in Nigeria's rice production," he said.

Meanwhile, Nigeria is set to commence exportation of rice in the near future to engender the twin benefits of food security and economic diversification, Ado Hassan, Secretary of the Kano State chapter of RIFAN, had said.

Mr. Hassan dispelled insinuations that the rice pyramids on display were not solely rice, adding that the commodity was brought in by rice farmers in virtually all states of the country.

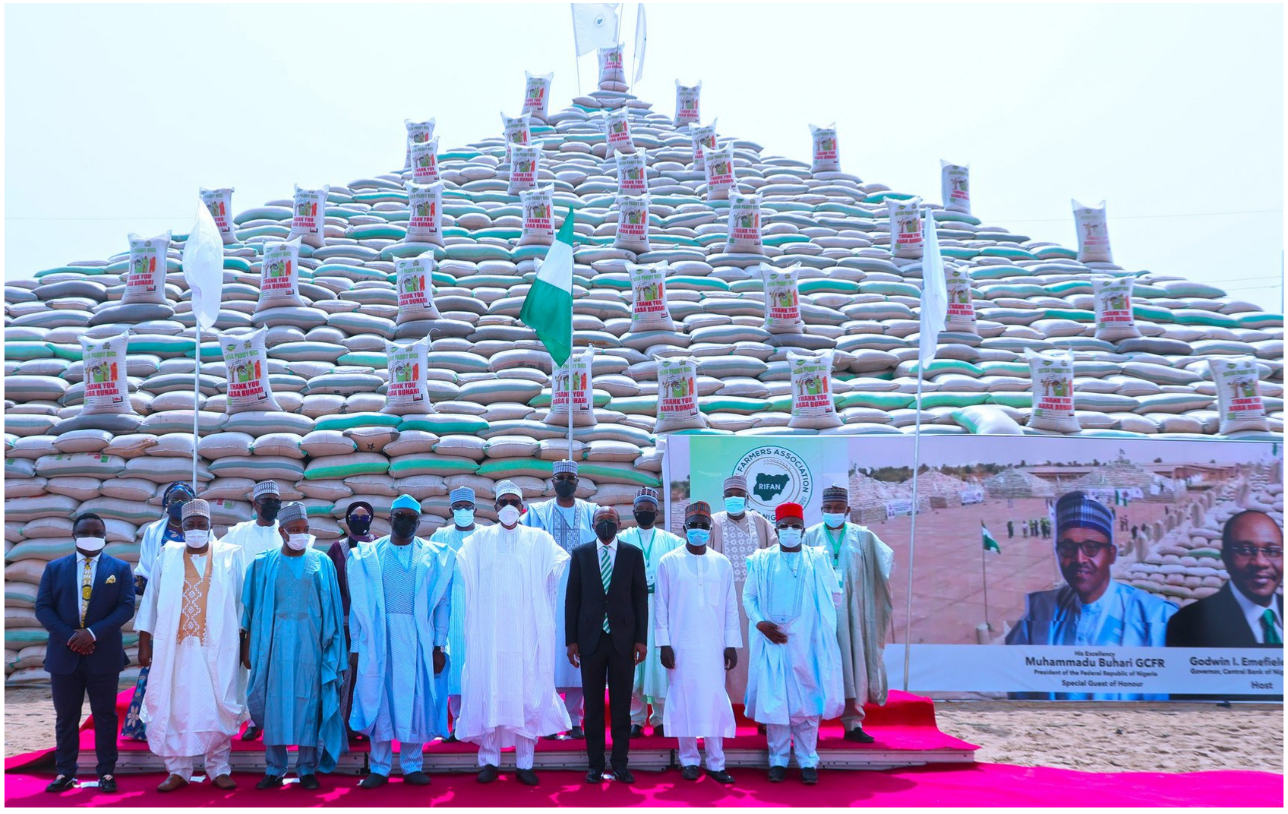
"The rice here is from all over the country. RIFAN has always been real; it is not possible to deceive 200 million Nigerians with a project like this.

"For the fact that Nigeria has not imported even a grain of rice in the last four years is enough proof that we are already self-sufficient in the commodity. The cultivation of rice is a reality and it will continue to happen," he said.

Mr. Hassan also said that Nigeria had become the highest rice growing country in Africa due to the support of the federal government and the intervention of the CBN.

"There was a time when the CBN was spending N1billion to support rice import bills. Today the apex bank is no longer spending a kobo to support importation of rice.

"Today, Nigeria has become the highest rice grower in the whole of Africa. That is a great achievement. We have leaders of some of our neighbouring countries who are coming here today to see our miracle in rice. They are a sure market for our rice



- **President Muhammadu Buhari**, and others unveiled Mega Rice pyramids by CBN and Rice Farmers Association of Nigeria (RIFAN) in Abuja

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Critical Infrastructure Investment: A Peep Into NSIA's Giant Strides

administration's policy-driven programmes to diversify the Nigerian economy.

He said that as part of the new structure and in line with the Presidential directive, the Federal Ministry of Finance, Budget and National Planning and the Central Bank of Nigeria (CBN) are expected to engage commercial banks to facilitate lines of concessionary credits to blending plants for the purchase of raw materials.

He said that the new approach would further reduce food price inflation in the market, as the availability of fertilizer will drive down the price or cost of food product.

He stated that it is also expected to reduce the high rate of unemployment, as more people will become engaged in the production process. "Clearly, the programme is a strong value proposition for the nation in the agriculture space given the variety of socio-economic benefits it presents. We are grateful to Mr. President for creating this programme and look forwards to supporting the next phase as it evolves."

He also said that having fulfilled the establishment, stabilisation, and market discipline phase of PFI, the PFI will gradually evolve into the next phase, which is a tactical withdrawal of intervention in the industry and the emergence of a self-sufficient, sustainable, and efficiently operated market.

Expectations for 2022

The NSIA has already announced to Nigerians that they should expect more investment in critical infrastructure in the country.

Speaking on a monitored programme by **Fmfinsights** on Arise Television, the NSIA boss said: "Nigerians will expect to see more in investments in infrastructure. That has also been the strategy of the organisation anyways. I think we have talked about that many times on this show. You are going to see us drive more and more into different aspects of infrastructure and direct investments in the country that will benefit Nigerians."

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FG Launches New Development Plan To Boost Economic Recovery

Felix Omoh-Asun

Federal government has launched the National Development Plan (NDP), 2021-2025 to boost economic recovery and infrastructure.

Presenting the Plan to President Muhammadu Buhari before the commencement of the Federal Executive Council (FEC), meeting at the council chambers, Presidential Villa, the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, said that the NDP 2021-2025 is a successor plan to both Economic Recovery and Growth Plan (ERGP 2017-2020) and the Vision 20:2020.

She noted that the plan would focus investment on massive infrastructure, ensure economic stability, enhance the investment environment, improve on social indicators and living conditions of Nigerians, among other targets.

She further revealed that the plan would encourage the use of science, technology and innovation to drive the growth being targeted.

According to her, "In order to have the future we all desire, the Plan is developed to play a sizable role in the product complexity space internationally and adopts measures to ease constraints that have hindered the economy from attaining its potentials, particularly on the product mapping space.

"The plan provides for the implementation of major infrastructure and other development projects across the six geopolitical zones and opening up of opportunities for the rural areas to ensure balanced development and increased competitiveness. The plan builds on the foundation developed in the Vision 20:2020 and the Economic Recovery and Growth Plan (ERGP). Lessons from these previous plans guided the development of the NDP 2021-2025.

"The plan seeks to invest massively in infrastructure, ensure macroeconomic stability, enhance the investment environment, improve on social indicators and living conditions, tackle climate change mitigation, adaptation and resilience strategies, among others."

Meanwhile, the Nigeria Governors' Forum (NGF) has lauded the President Muhammadu Buhari administration for the initiative that has created the series of economic development plans so far under its watch, noting that no administration, in Nigeria's history, has been as inclusive.

Chairman of the NGF and governor of Ekiti stare, Dr Kayode Fayemi, represented by the Governor of Kebbi State, Alhaji Atiku Bagudu, noted that the new NDP 2021-2025 was a product of collaboration and consultation between the federal and state governments.

Mrs. Zainab Ahmed, Honourable Minister of Finance, Budget and National Planning

We had an economic recovery growth plan that expired in 2020, which has achieved the objective of, among others, helping Nigeria exit twice from the recession and now we have a plan in place for 2021-2025...

He said: "Well, let me just clarify that I am here to represent the chairman of the Nigerian Governors Forum, Governor of Ekiti State, who was unavoidably absent and we congratulate Mr. President for launching the 2021-2025 Development Plan as ably introduced by the Minister of National Planning.

"We had an economic recovery growth plan that expired in 2020, which has achieved the objective of, among others, helping Nigeria exit twice from the recession and now we have a plan in place for 2021-2025 that is further aimed principally at ensuring that the gains have been consolidated and Nigerians are being continuously included.

"This government, more than any other, has taken deliberate, active steps to include all economic groups and support them more than has ever been done in order that they achieve their economic objectives, in order that the country's economy continues to provide for all and we will witness more prosperity. We congratulate and I'm sure all of us in the 36 states and FCT are very happy.

"We have been consulted some of us who are members of the various committees. It is a consultative programme and we appreciate both the President and the Vice President because under them, particularly the National Economic Council, which is the major economic decision-making body of the Federation, has been quite inclusive, it is not a monologue, states are being given the pride of place."

NNPC Raises N621bn To Construct 21 Roads

The Nigerian National Petroleum Company (NNPC) Limited has presented N621 billion check to the Federal Ministry of Works and Housing for the construction of 21 selected roads across the country.

The company in October, 2021had expressed interest to invest in the reconstruction of selected federal roads in order to sustain a smooth supply and distribution of petroleum products across the country.

The road construction project which is being executed under the tax credit scheme is funded through the Federal Inland Revenue Service (FIRS) in alignment with the President's executive order 7.

The Chief Financial Officer (CFO) of the NNPC, Umar Ajiya, explained that the condition of the road networks in the country is affecting businesses, especially transportation of petroleum products across the country.

Under the tax credit scheme, companies are allowed to invest in road construction, infrastructural projects in exchange of tax credit certificate...

He explained that the tax credit scheme presents a good platform to support the rehabilitation of major infrastructural projects.

Ajiya said: "The condition of our roads currently affects our business and the energy security of Nigeria. Most of our pipelines have been vandalised through the years. And sometimes we find it difficult for our tanker drivers to convey products across the country.

"So, we consider the tax credit scheme a very important way to fund these projects, we are working on 21 roads and we are ready to fund the N621 billion."

The Chairman of FIRS, Mohammed Nami, noted that the investment was a result of Executive Order 007 of 2019, which uses companies' tax to fix critical infrastructure, stressing that the tax credit was issued after confirmation was done that monies that ordinarily should be invested are invested.

According to him, a tax credit scheme gives value to taxpayers money as it ensures that funds are deployed to provide infrastructure across the country.

The chairman said: "The importance of this scheme cannot be overemphasized because the budgetary allocation for the roads is not only minimal but also insufficient.

"Under the tax credit scheme, companies are allowed to invest in road construction, infrastructural projects in exchange of tax credit certificate we are issuing to them. The construction of these roads will ensure that goods are moved from a part of the country to another, as we bridge the infrastructural gap in the country."

In his remark, the Minister of Works and Housing, Babatunde Fashola, commended the effort of the NNPC while urging companies to take advantage of the tax credit scheme to bridge the infrastructural gaps in the country.

He said: "We are now seeing companies that are showing interest in the scheme, and we hope this will help in developing our infrastructure.

With this presentation today, contractors will have the confidence to work, knowing that they will be paid."

2022 Budget: Finance Minister Presents 2022 Appropriation Amendment To FEC

- **Calls For Confirmation of Ratification of CMAAA between South Africa/Nigeria**
- **NNPC Presents Request For N3 trillion As Fuel Subsidy For 2022**

Fatimah Bintu Yussuf

The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, presented a memo at the Federal Executive Council (FEC) meeting on Wednesday 26, 2022 requesting for approval of the 2022 appropriation amendment.

"Recall that when the President signed the 2022 Appropriation into law on the 31st of December, he had raised some concerns that he had in some of the provisions in the budget, and had indicated that he will be submitting an amendment proposal to the National Assembly for them to effect improvements in what has been done to the budget.

Also, she presented another memo on the confirmation of ratification of Customs Mutual Administrative Assistance Agreement (CMAAA) between South Africa and Nigeria.

The memo was targeted at the customs law in the respective territories to be properly observed to prevent and also enhance investigation and to combat customs offenses and to afford each country mutual assistance in cases concerning the delivery of documents, regarding the application of customs laws in two countries.

"The importance of this for us is cooperation between Nigeria and South Africa, as it has become even more important now with the Africa Continental Free Trade Agreement (AfCFTA). It will also help to increase trade relations between the two countries and facilitate exchange of information as well as strengthen our binational cooperation", Ahmed stated.

Speaking on the clauses, in her words: "Council took that amendment proposal and I just want to report that part of the requests that Council has approved today is for the National Assembly to repeal clauses 10 and 11. Clause 10 is referring to a provision that has been made that will enable The Economic and Financial Crimes Commission (EFCC) and Nigerian Financial Intelligence Unit (NFIU) be able to take 10 percent of whatever collections that they recover.

"We are asking for that to be repealed because this is in direct contrast to the Acts of these two agencies and also it is in contravention of the Fiscal Responsibility Act and the Finance Act 2021.

"Clause 11, on the other hand, is a provision that has been made that says that the Nigeria embassies and missions are now authorised by this Appropriation Act to expend funds allocated to them under capital components without the need to seek approval of the Federal Ministry of Foreign Affairs", she said.

"This again, in view, the Council agreed, is inconsistent with financial regulations and also inconsistent with the provisions of the Public Procurement Act. So, we are asking for this to be repealed.

"Council also approved that some of the changes that were made in the Appropriation Act, totalling N103 billion, should be restored and examples of these are N22 billion that was provided for sinking fund to mature bonds that will be ready for payment in 2022 in the Nigerian domestic market, and also N12 billion for counterpart funding that is required for the various rail projects and N189 million to be adjusted also in the budgets of the Ministry of Transport, Secretary to the Government of the Federation (SGF) and the Head of Service (HoS).

"These are projects that are provided in these ministries that are completely unrelated to their mandate, so implementation will be a problem. Also, N5 billion to be restored for non-regular allowances of the Nigerian Navy, N15 billion to be restored for the regular allowances of the police formations and police commands and several others that Council looked at in detail. So, there's a detailed schedule of this N103 billion that Mr. President will be formally conveying to the National Assembly to restore the adjustments that were made.

In the same vein, the minister further stated: "We also presented to Council today a request for consideration to make additional funding provisions to enable us to meet incremental fuel subsidy request in the 2022 Budget. You all recall that in the 2022 Budget, as appropriated, we have made a provision of N443 billion for a subsidy for January to June.

"Having taken into account the current realities; increased hardship in the population, heightened inflation, and also that the measures that needed to be taken to enable a smoother exit from the fuel subsidy are not yet in place, it was agreed by Council that it is desirable to exit fuel subsidy.

Mrs. Zainab Ahmed, Honourable Minister of Finance, Budget and National Planning

"The Nigerian National Petroleum Company (NNPC) has presented to the ministry a request for N3 trillion as fuel subsidy for 2022. What this means is that we have to make an incremental provision of N2.557 trillion to be able to meet the subsidy requirement, which is averaging about N270 billion per month.

"In 2021, the actual under-recovery that has been charged to the federation was N1.2 trillion, which means an average of N100 billion. But in 2022, because of the increased crude oil price per barrel in the global market, now at $80 per barrel, and also because an NNPC's assessment is that the country is consuming 65.7 million litres per day, now we all end up with incremental cost of N3 trillion in 2022.

"So, this has been considered by Council and we have also been asked to approach the National Assembly for an amendment to the fiscal framework as well as the Budget, to also further discuss with NNPC on how to make provisions for this and also how to rationalise this expenditure," Ahmed also said.

IMF Retains 2022 Growth Forecast For Nigeria At 2.7%

The International Monetary Fund (IMF) has retained its 2022 growth forecast for Nigeria at 2.7 percent and increased 2023 projection by 0.1 percent to 2.7 percent.

The IMF had in its October report last year projected a 2.7 percent growth rate for 2022 and 2.6 percent for 2023.

In its January World Economic Outlook report released on Tuesday, the IMF downgraded its growth forecast for sub-Saharan Africa to 3.7 percent and 4.0 percent for 2022 and 2023 respectively from 3.6 percent and 3.9 percent forecast in its October 2021 WEO report.

The IMF also reduced its forecast for global economic growth to 4.4 percent in 2023, representing 0.5 percentage points lower than the 4.9 percent projected in October.

According to the IMF, the decline will be triggered majorly by the COVID-19 variant spreads and inflation.

It said, "The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions.

"Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging markets and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects."

According to the report, elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022.

"Assuming inflation expectations stay well-anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds," it said.

Mines, Steels Sector Needs More Funding For Diversification of Economy, Poverty Alleviation

Felix Omoh-Asun

The recent call by the Minister of State Mines and Steel Development, Dr Uchechukwu Sampson Ogah for more funding of the sector is right step in the right direction and a welcome development.

The minister alluded to the fact that the sector was capable of meeting the diversification of the economy and poverty alleviation, sing song of the present government.

The call, coming at a time when the country is in dire need of diversification of the economy for national growth and development, is timely.

Ogah, who made this call during a recent interactive session with the Chairman, Members and Staff of Revenue Mobilization Allocation and Fiscal Commission (RMAFC) at the Commission's Headquarters in Abuja, stated that if more funds are made available to the sector, it would meet the much desire of President Muhammadu Buhari led administration to lift millions of Nigerians out of poverty.

Dr Uchechukwu Sampson Ogah, Minister of State Mines and Steel Development

Nigeria is blessed with strategic minerals, which include iron ore, gold, limestone, baryte, bitumen, coal, lead - zinc, among others.

According to Wikipedia, the mining of minerals in Nigeria accounts for only 0.3% of its gross domestic product, due to the influence of its vast oil resources.

The discovery of oil in commercial quality in the late 50s pushed domestic mining into relegation.

This unfortunately had made Nigeria to import minerals that it could produce domestically, such as salt or iron ore. Rights to ownership of mineral resources is held by the federal government of Nigeria, which grants titles to organisations to explore, mine, and sell mineral resources.

Organised mining began in 1903 when the Mineral Survey of the Northern Protectorates was created by the British colonial government. A year later, the Mineral Survey of the Southern Protectorates was founded. By the 1940s, Nigeria was a major producer of tin, columbite, and coal. The discovery of oil in 1956 hurt the mineral extraction industries, as government and industry both began to focus on this new resource.

The Nigerian Civil War in the late 1960s led many expatriate mining experts to leave the country. This sounded the death keg of the sector.

The codification of mining law in the Federal Minerals and Mining Act of 1999 monopolized mining in state-owned public corporations, and had not helped matters.

However, Dr Ogah, in his speech disclosed that the minerals and metals sector is critical in achieving the diversification of the economy and poverty alleviation bid of Buhari's administration, but noted that the sector needed more funding to develop required infrastructures that would attract investment as well as amending certain legislation and policies.

He said the ministry is working tirelessly to organise the artisenal miners into cooperatives in order to reduce illegal mining and ensure that the right revenue is derived from their operations. As a result of insecurity.

He said s task force made up of security agencies is in place to provide security for miners and mining sites across the nation.

Speaking further, Ogah emphasised the need for value chain addition to solid mineral resources in Nigeria with a view to deriving maximum benefit on these resources. In a step to actualizing this, a policy that ensures Pre-shipment evaluation on solid minerals has been put in place aimed at ensuring payment of appropriate revenue is paid to government coffers, noting that mining could provide 23% employment when properly funded.

He appealed to the Commission to spear-head increase of the Natural Resources Development Fund from its current 1.6 percent share from the Federation account in order to get needed fund to further develop the sector and attract investment in minerals.

In his response, the Chairman of the Commission, Elias N. Mbam, affirmed that the Ministry is key in the diversification of the nation's economy and assured of the Commission's commitment to partner with it to achieve desired results.

On this note, Mbam requested that the Ministry should involve the Commission through its offices across the federation in monitoring mining activities and revenue collection in states, saying information obtained from such exercise would help to give the Commission the right data to work with.

He suggested that a Joint Technical Committee between the Ministry and the Commission be set up to harmonise all revenue collected to ensure such revenue get paid into the federation account.

FIRS Records Maximum Achievement of Target In 2021

Felix Omoh-Asun

Non-oil sector contributed 68.64 percent of the total collection in the year, while oil sector's contribution was 31.36 percent of total collection

The Federal Inland Revenue Service (FIRS) recorded more than a hundred percent of its collection target for the year 2021.

This is contained in a statement signed and issued by Johannes O. Awojola, Special Assistant to the Executive Chairman of FIRS, (Media and Communications) recently.

The feat, the statement noted, was achieved despite the global economic challenges occasioned by the Coronavirus pandemic, as well as the disruption of business activities in 2020 by nationwide protests.

Mr. Muhammad Nami, Executive Chairman of FIRS, in the statement, stated that in spite of the limitations that were faced in 2019/2021, the Service was still able to record a huge stride the pursuit of its mandate.

Stated Mr. Nami in the FIRS 2021 Performance Update signed by him: Notwithstanding the limitations faced in 2020/2021, the Service achieved over a hundred percent of its collection target."

"The FIRS in the year 2021 collected a total of N6.405 trillion in both oil (N2.008 trillion) and non-oil (N4.396 trillion) revenues as against a target of N6.401 trillion. Companies Income Tax amounted to N1.896 trillion; Petroleum Profits Tax amounted to N2 trillion; Value Added Tax amounted

to N2.07 trillion; Electronic Money Transfer Levy amounted to N114 billion; Earmarked Taxes amounted to N208.8 billion; among others.

"Non-oil sector contributed 68.64 percent of the total collection in the year, while oil sector's contribution was 31.36 percent of total collection.

"The Service issued certificates for the sum of N147.8 billion tax credit to private investors and NNPC for road infrastructure under the Road Infrastructure Development Refurbishment Investment Tax Credit Scheme (RITCs) created by Executive Order No. 007 of 2019."

Explained the report: "In line with the law, 2021 income tax revenue is a function of the outcome of business activities in 2020.

"In that year, the country entered into a second economic recession within five years. The recession was occasioned by five months of lockdown caused by the Coronavirus pandemic. To compound the economic challenges of COVID-19 pandemic, business activities were disrupted by the End-SARS protests".

The report further stated that the deployment of technological tools was a game-changer for the Service.

It states: "Upon the coming into office of the current management, the Federal Inland Revenue Service (FIRS) began strategic administrative and operational reforms; and the implementation of new policies that would improve its capacity towards the fulfilment of its mandate.

"The deployment of a new automated tax administration system, the 'TaxPro Max' in June 2021 was a game-changer. With the solution, taxpayers experienced ease of registration, reporting, payment and issuance of Tax Clearance Certificates while the Service experienced greater efficiency in the deployment of resources thereby leading to improved revenue collection".

The FIRS stated that strong opposition to its statutory mandates by certain interests posed a major setback in the full implementation of its reforms.

FG To Partner Cooperatives On 300,000 Social Housing Units

Felix Omoh-Asun

The federal government says it would partner with cooperatives societies for more Nigerians to benefit from the administration's 300,000 Social Housing units under its National Social Housing Programme (NSHP).

According to Vice president, Professor Yemi Osinbajo, cooperatives play a strategic role in implementing the government's social investment and intervention programmes and ensuring that a large number of people have access to the programmes.

The federal government in March 2021 announced that it would construct 300,000 homes across Nigeria for low-income earners to become homeowners easily under the new NSHP initiative, which seeks to deliver affordable housing pegged at 300,000 units and millions of jobs for Nigerians.

The National Social Housing Programme (NSHP) is the housing component of the President Muhammadu Buhari Economic Sustainability Plan to deliver affordable housing and millions of jobs for Nigerians.

Under this programme, 300,000 homes will be constructed in all states of the federation including the Federal Capital Territory (FCT), with the Family Homes Funds (FHF) as the lead developer, however other Nigerian partnerships and collaborations are welcomed to facilitate the

Speaking on Tuesday when he received a delegation from the Cooperative Federation of Nigeria (CFN) led by the President, Mr. Tajudeen Oriyomi Ayeola, Osinbajo stated that cooperatives are "an important part of our strategy in ensuring that the largest number of Nigerians have access to government programmes.

"The partnership of cooperatives with government is possibly the only way of doing so in an efficient manner that ensures that government services and programmes get to the right people.

"Cooperatives give their memberships the leverage to be able to take facilities and make sure those facilities are returned. They also have more knowledge of their individual members," Prof. Osinbajo noted.

Speaking further, the VP said "the rationale for cooperatives even in the 50s remains relevant today. When we talk about cooperatives in the Western Region and how these were very helpful and even cooperatives across the country became important pillars in the economic development of the country."

Giving an instance where cooperatives have come in useful, Prof. Osinbajo noted that "we thought that cooperatives would be very useful in all the programmes around the Economic Sustainability Plan. One of them is the Family Homes Funds and our plans to build 300,000 social housing," units.

He observed that "the case for cooperatives is very well made, and what we must do as a government is looking for ways of cooperating with the Cooperative Associations in ensuring that we are able to get this moving."

In his remarks, the Managing Director of Family Homes Fund (FHF), which is implementing the Social Housing element of the ESP, Femi Adewole gave an update on the work done so far concerning the National Social Housing Programme.

He said, "as at year-end 2021, 17,281 homes are at various stages of construction, either completed or in progress

Vice president, Professor **Yemi Osinbajo**

across 15 States."

While awaiting disbursements from the Central Bank of Nigeria (CBN), FHF MD disclosed that the agency was able to mobilise other resources such as N10billion from the Ministry of Finance, Budget And National Planning, $60million from the African Development Bank (AfDB), 20million Euros from Agence Française De Développement, and about N20billion recycled capital from sales of completed property to execute the Social Housing programme for last year.

By 2022, FHF expects to do 20,640 units using its own resources, but CBN disbursements would avail the opportunity to do even much more than that.

The MD said in order for the Social Housing scheme to reach a wider target audience outside of those in formal employment, particularly the large population of citizens in the informal sector, FHF entered into a partnership with CFN in May last year and the objective was to leverage their reach to mobilise demands in groups from people in the informal sector.

Mr. Ayeola responding noted that the CFN would want the intervention of the federal government in reviewing the Nigerian Cooperative Societies Act which has become obsolete in the face of operations of modern cooperatives.

He added that such a review would ensure more effective collaboration with FG's strategy to ensure a larger number of Nigerians benefit from the many intervention schemes of the Administration such as the Social Housing scheme whose message he said the CFN is already spreading across their 20million members across the country.

CBN Says Inflation To Drop In Q1, Laments Impact Of Insecurity On Food Supply

Felix Omoh-Asun

With the ongoing harvest season in the country, the monetary policy committee (MPC) of the Central Bank of Nigeria (CBN) has projected that inflation would drop in the first quarter of 2022.

Price of food items soared from 2020 through 2021 owing to the lockdown occasioned by the Covid pandemic and insecurity that forced farmers to stay off farmlands.

The MPC noted that the consumer price index (CPI) which measures inflation would decline because food harvests is expected to progress towards the end of the first quarter of 2022.

Across the country, starting in October in the northern areas and later in the southern areas, the main harvest is starting normally in October for most crops and sorghum a long cycle crop will be harvested during December/January normally.

The inflation rate jumped to 15.63 percent in December 2021 from 15.40

percent in November, having experienced eight consecutive months decline

between April and November 2021.

Rising from its Monetary Policy Committee meeting that ended Tuesday in Abuja, the committee noted that the

economic recovery is therefore expected to progress gradually with the ongoing support by the

monetary and fiscal authorities.

The MPC projects output growth at 3.10 percent in 2021 with an expected better outcome in 2022, consistent with the expected improved macroeconomic performance. The economic recovery is therefore

expected to progress gradually with the ongoing support by the monetary and fiscal authorities, progress in COVID-19 vaccinations and continued high crude oil

prices.

"After a moderate increase in December 2021, headline inflation is expected to trend marginally

upwards in the short-term before moderating towards the end

of the first quarter of 2022. This is expected as food harvests progress towards the end of the first quarter of 2022 and improve food supply. In general, with

the Bank sustaining its intervention programmes through the year, food inflation is expected to trend downwards in 2022."

According to the MPC, "forecasts for key macroeconomic variables for the Nigerian economy, indicated expected rebound in output growth for most of 2022, sustained by ongoing broad monetary and fiscal stimuli. Accordingly, the Nigerian economy is forecast to grow in 2022 by 2.86 percent (CBN), 4.20 percent (FGN) and 2.76 percent (IMF).

However, the MPC expressed concerns over the impact of insecurity on food supply.

"On price development, members continued to express concerns about the impact of insecurity in farming communities on food inflation. Whereas

headline

inflation had been moderating for several months, the committee believed that its recent uptick was associated with increased demand during the festive

season and was thus of the view that prices will return to the downward trajectory given the Bank's ongoing interventions in the agriculture sector.

On this note, members applauded the efforts of the Bank with the recent launch of the rice pyramids, noting that these efforts to increase food supply and stem food inflation were in the right direction.

Members, however, reiterated the key role of the federal government in providing the necessary security around the country, and particularly in the farming communities, to ensure that farmers and their produce remain safe, and food supply is both boosted and uninterrupted."

The Committee noted that the ongoing dry season farming would further improve food supply and dampen prices.

Why CBN Retained Monetary Policy Rate – *Emefiele*

Musa Ibrahim

CBN Governor, **Godwin Emefiele**

The Governor of Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has stated the rationale behind its Monetary Policy Committee's (MPC) decision to maintain the Monetary Policy Rate (MPR) at 11.5 percent as well as hold other monetary parameters constant.

Mr. Emefiele, who disclosed this at a briefing after the MPC meeting in Abuja which was monitored by **Fmfinsights**, said that while determining whether to loosen or tighten the policy stance, the MPC was recognised that some advanced economies had signaled intentions to increase their rates.

He noted that key focus of the developed economies was affecting inflation.

According to him, the MPC believes that its current stance of price and monetary stability is conducive for growth.

Emefiele stated that that the committee was convinced that loosening the rates would trigger liquidity surfeit and fuel inflationary pressure as available funds might outstrip the economy absorptive capacity or domestic capacity utilisation.

"It also feels loosening could trigger foreign exchange demand pressure, as the excess liquidity would be channeled to either frivolous importations or speculative holding of foreign exchange as alternative investment channels narrow; leading to foreign exchange depreciation and or inflation.

"The MPC also dropped a tightening option at this meeting in view of the fragile state of the current gross domestic product (GDP) growth rate and potential external and domestic headwinds confronting the economy," he added.

...CBN at this moment has all it's efforts geared towards driving down inflation and mainly through the money supply issues and tackling the forex side of it as well as maintaining a fair price of food items, thereby improving macroeconomic stability

The CBN further stated that after a careful balancing of the benefits and downsides of each policy option, the MPC decided to hold all policy parameters constant.

"The committee thus decided by a unanimous vote to retain the Monetary Policy Rate (MPR) at 11.5 percent. In summary, the MPC voted to retain the MPR at 11.5 percent; the Asymmetric Corridor of +100/-700 basis points around the MPR; the CRR at 27.5 percent; and the liquidity ratio at 30 percent," Emefiele said.

In supporting MPC's decision, a development economist, Collins Okon said that the decision of the CBN was the right step in the right direction as changing the rates may hurt Nigeria's already fragile economy.

He said, "I think the analysis is quite robust because the CBN at this moment has all it's efforts geared towards driving down inflation and mainly through the money supply issues and tackling the forex side of it as well as maintaining a fair price of food items, thereby improving macroeconomic stability."

He further called on the federal government to ensure that everything is done possible to address insecurity so as to drive growth as contributing sectors to GDP like agriculture and manufacturing are suffering from lingering insecurity in the country.

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Fuel Subsidy Payment Continues, Says FG

subsidy, so, let us not create unnecessary tension where there should be none. Please forget about the January 27 deadline."

However, an energy expert, Mr. Bashir Usman, insisted that government cannot sustain payment of subisdy forever.

Usman asserted that the national economy is suffering under the burden of fuel subsidy, said corruption opportunities under the fuel subsidy regime has been established by the government itself.

"Policy summersault by government always erodes investors' confidence in any economy. Some investors would have been planning to take advantage of deregulation as provided in the PIA.

"Reversing this now means the provisions of the PIA would not be trusted by investors since the government could wake up any day to reverse any of the provisions," he said.

Usman noted that upcoming elections played a crucial role in the reversal of the subsidy, stressing that until the government can summon the political will, the country will continue to run around in circles on the subsidy regime.

Another expert, Kayode Daramola expressed disappointment over the decision of the federal government to suspend subsidy removal.

He said it will send a wrong signal to investors who may suggest the decision is politically motivated.

"All of us in the oil and gas sector were happy with the coming of the PIA as we were hopeful it will open up investment and complete deregulation of the sector.

"But with this new development, it is a huge blow to foreign investors and chances of mopping up foreign direct investment. 18 months is too much to me and it gives another president the impetus to come and extend it again," he said while expressing displeasure.

Another energy expert, Mr. Eze Chikwe, however, welcomed the development saying that the federal government considered the fact that the removal of subsidy at this time will heighten inflation and cause undue hardship on the citizenry".

According to him, programmes and policies of government are meant to benefit the people, but if the timing of the planned subsidy removal would cause hardship on citizens, then a review was necessary.

"We commend President Muhammadu Buhari for always putting the welfare and wellbeing of Nigerians first as he has serially displayed in the implementation of programmes and policies of this administration.

"In line with the PIA, the federal government is already putting in place measures, particularly boosting our local refining capacities to reduce the country's reliance on expensive import of refined petroleum products. This will in due course usher in the eventual and full deregulation of the country's petroleum sector."

Protest Suspended

Sequel to federal government's announcement, the NLC announced its decision to suspend its proposed nationwide protest over petrol subsidy removal.

The NLC president, Mr. Ayuba Wabba, made this announcement while speaking with journalists in Abuja.

NLC had in December fixed January 27 and February 2 for its protest across 36 against the subsidy removal.

Mr. Wabba said that the union decided at its National Executive Council (NEC) meeting on Tuesday morning. He said that the decision to suspend the protest was based on the suspension of the proposal to stop the subsidy on petrol by the federal government.

"Following the reversal and re-approach by the government, the NEC of the NLC had an emergency virtual meeting this morning to consider the new position of the government," Mr. Wabba said.

He noted that the leadership of the congress had communicated its decision to its civil society allies who have stood behind Nigerian workers in its quest for social and economic justice for workers and the downtrodden people of our country.

"Going forward, we will continue to engage with the government on the very critical issues of ensuring local refining of petroleum, creation of sustainable jobs and provision of petrol at an affordable price for Nigerian workers and people.

"Finally, we commend the Nigerian workers and people, particularly our civil society allies, for their unwavering solidarity and support during this struggle. We sure are stronger together," he said.

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 Nigiera (CBN), has contributed to reducing the percentage of adult Nigerians that do not have acess to financial services from 46.30% in 2010 to 39.50% in 2014 (EFInA Financial 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.

"ENGENDERING CONFIDENCE IN THE BANKING SYSTEM, PROMOTING FINANCIAL INCLUSION AND EXCELLENT IN CORPORATE SOCIAL RESONSIBILITY ACTIVITIES TOWARDS SUSTAINABLE DEVELOPMENT IN NIGERIA"

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NIGERIA CUSTOMS SERVICE (NCS)

NIGERIA CUSTOMS SERVICE
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POLICY BRIEF WITH
ENAM OBIOSIO

Monday 31st January - Monday 14th February, 2022

As In Other Climes: What Matters In Policymakers' Cooperation For Technology Enhanced Public Goods

If public goods are appropriately designed, and if policymakers cooperate, digital technology can be harnessed to bring more people—particularly the poorest—into the financial system.

Broad diffusion of technology may help make societies not only more efficient, but more equitable and better prepared for the digital future. Innovation must be shaped to benefit everyone.

Digital technology is transforming the financial industry, changing the way payments, savings, borrowing, and investment services are provided and who provides them. Fintech and Big Tech companies now compete with banks and other incumbents across a range of markets. Meanwhile, digital currencies promise to transform the heart of finance: money itself.

But just how much has technology advanced financial inclusion? For sure, in the past year alone, digital finance has helped households and businesses meet the challenges posed by the COVID-19 pandemic. It has also given governments new ways of reaching those who need support.

Jon Frost, Senior Economist at Bank for International Settlements, believes that for technology to benefit everyone, private sector innovation needs to be supported by public goods.

Talking about progress to date, he says it has been impressive. "Yet, if it is to realise its full potential in bolstering financial inclusion, private sector innovation must be supported by the appropriate public goods, as innovation has large spill overs to all aspects of economic activity. Public goods provide the underpinnings of financial inclusion.

In his view on disruptive inclusion, financial inclusion can be understood as universal access to, and use of, a wide range of reasonably priced financial services. "Inclusion made great strides in the decade between the global financial crisis and the pandemic. Despite a volatile global economy, World Bank data show that 1.2 billion adults gained access to a transaction account between 2011 and 2017. Much of this progress came directly from new digital technologies.

As COVID-19 imposed social distancing and lockdowns, digital payments became a lifeline for many people.

The whole narrative is bordered on how policymakers should adapt to the brave new world. How they can reap the benefits of digital innovation for financial inclusion, while mitigating the (very real) risks to financial stability and consumer rights.

"Building inclusive digital infrastructures: Initiatives such as India's Aadhaar digital ID are a stepping-stone to accounts and more sophisticated services. Fast retail payment systems based on open public infrastructure that ensure a level playing field are essential.

Citing a number of cases, he takes mobile money as a case in point. "Kenya's M-Pesa and similar applications let users send and receive payments on all mobile phones. Over time, providers have broadened their services, offering microloans, savings accounts, and insurance against crop failures and other hazards. As of 2019, 79 percent of Kenyan adults had a mobile money account. Usage is rising fast across Africa, the Middle East, and Latin America.

"In China, Ant Group and Tencent have reached a respective 1.3 billion and 900 million users with Alipay and WeChat Pay. Payment applications, based on mobile interfaces and quick response (QR) codes, have paved the way for a whole spectrum of financial services, ranging from small loans and money market funds to 'mutual aid,' a form of health insurance.

"In India, public provision of foundational infrastructure has been the main driver, with a far-reaching impact. The digital identity (ID) initiative Aadhaar (Hindi for 'foundation' or 'base') has given 1.3 billion people access to a trusted ID so that they can open a bank account and access other services. Building on the initiative, a new system lets users make low-cost payments in real time. As Bank for "International Settlements (BIS) research shows, India has increased bank account access from 10 percent of the population in 2008 to more than 80 percent in recent times. Technology achieved in a decade what might have taken half a century with traditional growth processes.

As COVID-19 imposed social distancing and lockdowns, digital payments became a lifeline for many people.

Leonardo Gambacorta, Head of Innovation and Digital Economy unit at the Bank for International Settlements, and Hyun Song Shin, Economic Adviser and Head of research at the Bank for International Settlements, would in a combine article say that small businesses could continue accepting payments, and individuals could send money to their loved ones quickly and at low cost. "While not everyone was able to access digital payments and financial services, technology helped fill the gaps. In the Philippines, 4 million digital accounts were opened remotely between mid-March and the end of April 2020.

"Governments worldwide used new digital infrastructure to reach households and informal workers. In Peru, payments were made through Billetera Móvil, a project that fully integrated the country's largest mobile operators and banks. In Thailand, the government's PromptPay fast payment system fulfilled the same purpose. This success stood in sharp contrast to the practice in some advanced economies, such as the United States, of sending paper checks through the mail.

Considering the economics of digital innovation, they are of the opinion that although the pandemic will leave major economic damage and inequality in its wake, it will help drive the adoption of digital technologies that enable financial inclusion and economic opportunity. But these technologies will not succeed on their own. To understand how digital technology and policies can help, it is helpful to look first at the underlying economics.

At the heart of digital innovations stand a few technological enablers. First are mobile phones and the internet, connecting individuals and businesses with information and providers of financial services. A second enabler is the storage and processing of large volumes of digital data. Finally, advances like cloud computing, machine learning, distributed ledger technology, and biometric technologies play a role.

But at the core of all these innovations is the ability to gather information and reach users at a very low cost. Economists have assessed the range of specific costs that decrease with digital technologies. Two economic features of digital technology help show why these factors have been so powerful and what risks they pose.

According to the co-authors, "First, digital platforms are highly scalable. Platforms can be thought of as "matchmakers" that help different groups of users find one another. For instance, a digital wallet provider like PayPal brings together merchants and clients who want to make secure payments. The more clients use a particular payment option, the more attractive it is for merchants to accept it, and vice versa. This is an example of economies of scale, which allow providers to grow quickly.

Similarly, big techs such as Amazon or China's Alibaba can serve as matchmakers to help buyers and sellers of goods find one another, but they can also link merchants with providers of credit and other services. Because of the range of services provided (including nonfinancial), they have information that can be very valuable for their financial offerings. This exemplifies economies of scope, which give the advantage to providers with multiple business lines.

Second, digital technologies can improve risk assessment, benefiting from the same data that are the natural by-product of their business. This is particularly relevant for services such as lending, as well as investment and insurance. Credit scores based on big data and machine learning can often outperform traditional assessments, particularly for 'thin-file' borrowers, people or small businesses with little or no formal documentation.

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