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Donor-Financed Projects: Much Still To Be Streamlined For Critical Sectors Of Economy – Finance Minister

By Enam Obiosio

The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, has stated that much still remains to be streamlined, notwithstanding the efforts and resources committed in procuring development financing for critical sectors of the Nigerian economy.

Saying this in her keynote address at a retreat for members of the National Assembly organised by the ministry on 'Process Optimisation In Donor-Financed Projects In Nigeria' recently in Lagos, she noted that the country appears not to have made the desired progress to boost human capital development, improve infrastructure and service delivery as well as strengthen governance and institutions.

The event, according to her, "marks a significant milestone in our efforts to foster a new level of synergy and collaboration with the National Assembly to further accelerate the level of implementation of donor financed programmes and projects in Nigeria.

"The need to organise this important retreat is predicated on our desire and strong conviction as a Ministry saddled with the responsibility of managing the country's financial inflows and outflows to deliver planned projects for sustained growth and national development," she stated.

Mrs. Ahmed mentioned the fact that when borrowed funds fail to be properly utilised, and to deliver on planned development objectives, growth is impaired and economic development is distorted.

In her words: "An in-depth review of the level of implementation of the entire development projects reveals that delays in the execution of donor-funded projects stems from factors including bureaucratic bottlenecks, capacity challenges, political interference and challenges associated with obtaining varied and misaligned approvals processes between our local authorities and development partners.

"Accordingly, Nigeria ranks low compared to other nations of the world in terms of the level of implementation of World Bank funded projects. It is public knowledge that there have been increased public agitations against rising foreign debts levels. This has put immense pressure on government to ensure prudent management of resources, and improve transparency and accountability in the utilisation of funds from donor agencies for

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Mrs. Zainab Shamsuna Ahmed, Hon. Minister Of Finance, Budget And National Planning

FEDERAL INLAND REVENUE SERVICE

15, SOKODE CRESCENT, WUSE ZONE 5, P.M.B 33 GARKI, ABUJA, NIGERIA

PUBLIC NOTICE

PAYMENT OF OUTSTANDING FOREIGN CURRENCY TAX LIABILITIES IN NAIRA

1. In view of the number of requests, enquiries and the challenges encountered by the taxpaying public in sourcing for foreign currencies to offset outstanding tax liabilities, the Federal Inland Revenue Service ("the Service") wishes to inform our esteemed taxpayers that a one-month window has now been opened for this category of taxpayers to settle their foreign currency tax liabilities in Naira with effect from the 1st of March, 2022 to 31st of March, 2022.

2. The extant provision is that the currency of the transaction should be the currency with which the tax is paid. However, this is a one-off window/ concession, and the Service would no longer entertain any such request from the taxpaying public.

3. The applicable rate shall be the Investors and Exporters (I&E) foreign exchange rate of the Central Bank of Nigeria (CBN) prevailing on the date of the transaction and or when the tax obligation falls due.

4. This concession is available to all taxpayers and covers all tax types, except for companies in the Upstream (Oil & Gas) Sector and all foreign currency tax liabilities falling due on or before 31st December, 2021.

5. All payments must be made before the 31st of March, 2022 and upon payment, the relevant documents relating to the transaction together with the evidence of payment must be forwarded to the Office of the Executive Chairman, and a copy submitted to the local tax office where the taxpayer's file is domiciled.

6. Further enquiries should be directed to the Executive Chairman, Federal Inland Revenue Service, Revenue House, 15 Sokode Crescent, Wuse Zone 5, Abuja.

Signed
Muhammad Nami
Executive Chairman
Federal Inland Revenue Service

Donor-Financed Projects: Much Still To Be Streamlined For Critical Sectors Of Economy – Finance Minister

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maximum positive impact on the economy.

"It is, therefore, against this backdrop, that I constituted a Taskforce on disbursement in donor-funded projects in Nigeria. The term of reference (ToR) of the Taskforce is to evaluate, review and chart a fresh course to significantly increase disbursement levels in donor-financed projects in the country. It is to also work with relevant stakeholders to facilitate various approval processes for donor-assisted projects before final approval from the National Assembly.

The retreat organised by the ministry for the chairmen and members of the two relevant Committees of the National Assembly is, according to the Honourable Minister, in furtherance of federal government's efforts towards unravelling the challenges associated with the implementation of donor-financed projects with a view to evolving ways to improve execution levels for national growth and development.

"It is also a clear demonstration of our firm belief in the critical role and importance of the National Assembly to Nigeria's development drive. As critical stakeholders, it is our hope that this retreat would provide a veritable platform for all to ex-ray the issues and resolve to tackle them headlong.

She expressed her expectation that the outcome of this meeting would ultimately facilitate the elimination of avoidable delays in the implementation of donor-financed projects, increase levels of execution, improve effectiveness and efficiency in project implementation management and contribute to meeting Nigeria's development objectives.

Mr. Aliyu Ahmed, Permanent Secretary Finance, Ministry of Finance, Budget and National Planning (right) with **Mr. Fidel Odey**, Special Adviser, Multilateral to the Honourable Minister

At the retreat were the chairmen and honourable members of the Senate Committee on Local and Foreign Debts and the House Committee on Aids, Loans and Debt Management "who have consistently been partnered with us in our quest to ensure effective and efficient delivery of targeted, coordinated reforms and infrastructural development funded through donor agencies and development partners.

"It is noteworthy at this juncture that one of the critical sources of funds for the execution of key projects in Nigeria is through donor financing, especially, from multilateral bodies such as the World Bank and the African Development Bank (AfDB).

The representatives of the World Bank were also at the event.

Also speaking on the event, Mr. Aliyu Ahmed, Permanent Secretary Finance, Ministry of Finance, Budget and National Planning, said that the retreat was necessary in view of the key role the National Assembly plays in providing the requisite legal framework and approvals for borrowing to finance infrastructural projects across the country.

"This retreat is necessitated by the need to address the implementation challenges being encountered in the execution of donor-funded projects. The retreat is geared towards creating a platform for stakeholders to discuss implementation strategies for the sustainable realisation of Nigeria's overall economic development objectives," he said.

According to him, "the platform also offers another opportunity to further enhance our collaborative efforts towards facilitating timely access to effective and efficient utilization of development financing."

"I wish to thank the World Bank Chief and his team for being here at their own cost; the strong collaboration and technical support. The World Bank is a technical and development partner.

The Honourable Minister is disturbed with the slow pace of disbursement and implementation across multilateral donor-financed projects in the country; when projects fail to disburse, there are negative implications.

"This concern necessitated the Honourable Minister to constitute an inter-agency taskforce on disbursement on donor-funded projects in Nigeria (TOD), to primarily evaluate, review and chart a new course to facilitate smooth project implementation."

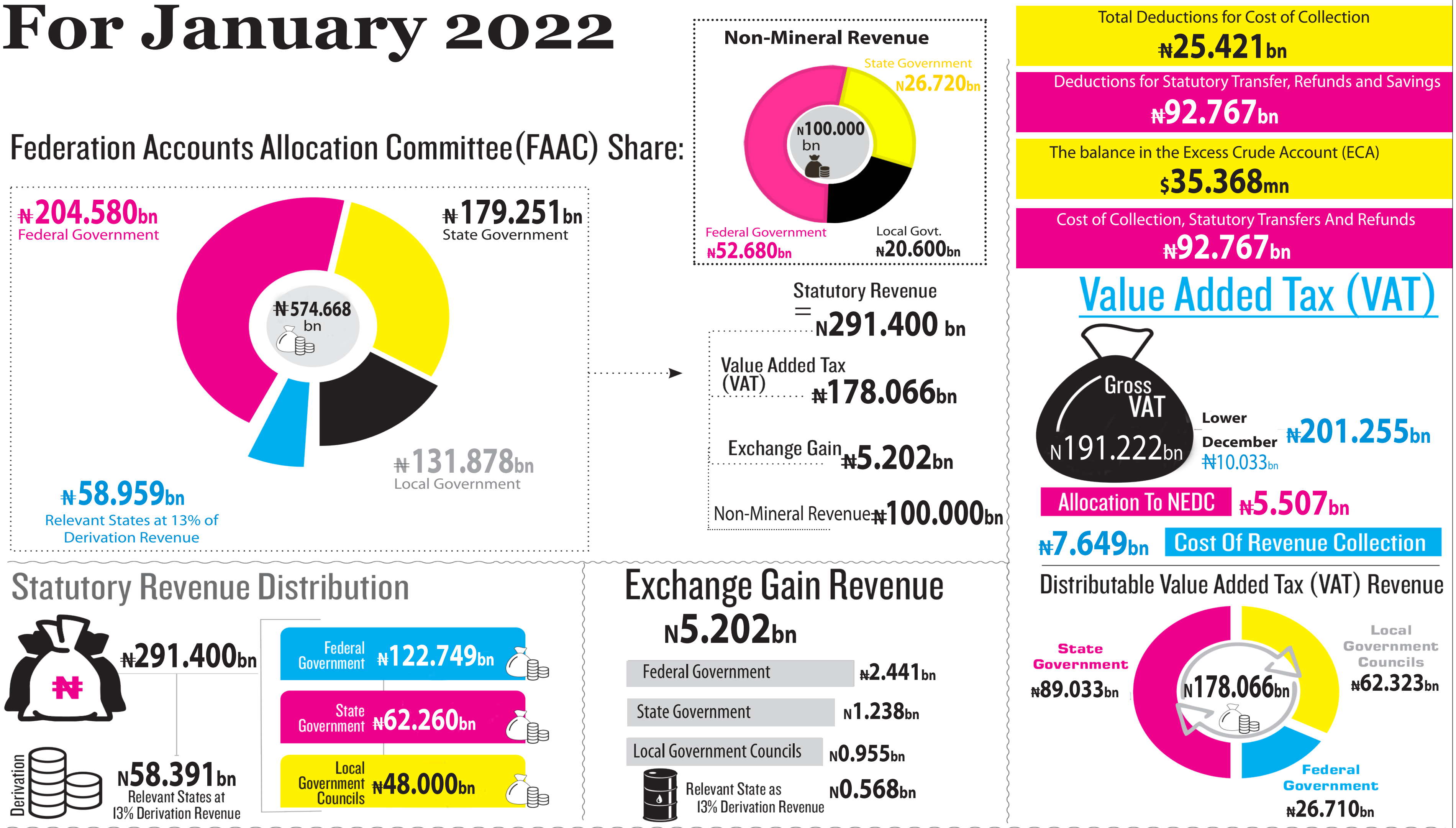
Recall that the Honourable Minister Ahmed had also said that the federal government plans to spend about N1.42 trillion on infrastructure and N2.11 trillion on human capital development in 2022 alone.

The minister who said this in Abuja during a town hall meeting organised by the Ministry of Information and Culture, noted that good and quality infrastructure is important, not only to engender and accelerate economic growth, but also to ensure and enhance inclusive growth for all within a nation space.

"Subsequently, this administration continues to prioritise spending on infrastructure and human capital to catalyse rapid economic development," she said.

Ahmed also said that President Muhammadu Buhari's administration has successfully implemented a range of infrastructure programmes that have had a positive impact on the lives and livelihoods of the citizenry.

FAAC: FG, States, LGCs Share N574.668bn For January 2022



According to the Communiqué, in the month of January 2022, Companies Income Tax (CIT), Petroleum Profit Tax (PPT) and Oil and Gas Royalties decreased significantly while Value Added Tax (VAT), Import and Excise Duties decreased marginally.

NBET Is Central, Not Single Buyer In Power Sector Value Chain – Ewelukwa

Dr. Nnaemeka Ewelukwa, Managing Director (MD)/Chief Executive Officer (CEO), NBET

By Enam Obiosio

At a two-day capacity building workshop in Lagos for members of Power Correspondents Association (PCAN) and Civil Society Organisation on the theme 'Building knowledge and plugging skills gap in power sector reporting' by Nigerian Bulk Electricity Trading Company (NBET) Plc, the sessions were truly loaded with very striking information on the sector.

Making clarifications on whether NBET is a single or a central buyer in the Nigerian power sector value chain, among others, Dr. Nnaemeka Ewelukwa, Managing Director of NBET, explained that NBET is rather a central buyer; also saying that his organisation targets a self-sustaining point at which there is power sector market competitiveness through market forces.

On the reason for the ongoing power sector reforms in the country embarked upon by federal government, Dr. Ewelukwa said that it is obviously for the government to achieve the financial health of the electricity market and the technical capacity to bridge the deficit between supply and demand in the country.

The NBET boss, who presented on 'Future Roadmap of NBET', noted that there existed a mismatch between the national peak demand forecast of about 19,788 MW and peak generation, which the federal government had sought to bridge through the reforms, in order to build a technically robust Nigerian electricity supply industry (NESI).

He said that the government's plan was to continue expanding the generation, transmission and distribution capacities to bridge the country's demand gap.

The electricity market, he also noted, involved the capacity to generate electricity and the willingness to pay for the supplied power, saying that it would be critical to ensure the electricity that would flow in the system was procured.

He stated that the loan the federal government was investing in the power sector must be repaid through tariffs for consumed energy.

With the reforms, Dr. Ewelukwa said that the electricity distribution companies were already improving on their performances and facilities to supply about 15,262MW of electricity to the national grid.

The framework, according to NBET, is geared towards making more megawatts of power available

On how to bridge the gap between peak demand and peak generation, NBET CEO highlighted two things that would have to happen; "The system must have the capacity to physically move additional power, while the power generation companies must have the capacity to bring that additional power, which must be paid for," he said.

To realise the transmission expansion plan, Dr. Ewelukwa explained that the government has begun the implementation of the agenda under the FGN/Siemens Presidential Power Initiative, with Phase 1 expected to transmit about 7,000MW; Phase 2 11,000MW, and Phase 3 (25,000MW) supply.

On the timeline for bridging the demand-supply gap, Dr. Ewelukwa said that it would be sooner than later, as the present administration was keen on implementing the reforms to achieve the set targets.

At inception of the reform agenda, as he said, NBET took over the Power Purchase Agreements (PPAs) that the defunct Power Holding Company (PHCN) signed with some gas suppliers, including the gas component.

On NBET's function in a Transition Electricity Based Market, Dr. Ewelukwa explained that it was characterised by a market-based agreement for electricity trading.

"NBET is designed to be a temporary bridge in the electricity market between the electricity generation companies and their distribution counterparts. NBET has a long-term role to play in the market, to drive market competition by ensuring that it is moved from a government centres market to a private sector-driven electricity market.

"NBET is enthusiastically looking at the time when it will actually start the innovation process of handing over the PPAs signed to power distribution licensees and eligible customers as the case may be," Dr. Ewelukwa said.

Meanwhile, NBET has revealed that it was working assiduously with the Nigerian Electricity Regulatory Commission (NERC) to provide a framework purposed to increase electricity production in the country.

The framework, according to NBET, is geared towards making more megawatts of power available... but still reduce the risks of having many active PPAs operation in the system.

Speaking further, Dr. Ewelukwa expressed optimism that the sector would soon experience tremendous growth on account of germane policies formulations and huge financial commitment by the federal government.

On the issue of PPAs not working, he said: "NBET is working with NERC to actually ensure that the service-based tariff regime is made effective so that DISCOs can be held to account to supply X megawatts to customers, to make sure that the power is coming.

"NERC and NBET are working on this to make sure that we provide the framework for making more megawatts available, but at the same time mitigating against the risks of having active PPAs all over the place."

On the issue of gap between big demand and generation, Dr. Ewelukwa explained that "bridging the gap between peak demand and peak generation speaks to the market reforms because two things need to happen.

"The system must have the ability to physically move that additional power number one. Two, if the system can move that additional power, and GENCOs actually are able to move that additional power, that additional power must be paid for.

"So, NBET has seen the need for these actions to be coordinated; What you are saying here is how to get the market back on track."

While comparing the difference between the national Peak Demand Forecast of 19,788Mega Watts (MW) and the country's Peak Generation of 16th February 2022, Dr. Ewelukwa said that there was a need for a financially

L-R: Dr. Eugene Edeoga, Head, Corporate Strategy & Corporate Commmunications, NBET, Henrietta Ighomrore, Corporate Communications, NBET, Sanusi Isa, Special Adviser Media To Hon. Minister of Power, Dr. Nnaemeka Ewelukwa, MD/CEO, NBET, Abba Aliyu, GM, Corporate Services, NBET, Yunusa Tanko Abdullahi, SA Media & Communications To Honourable Minister of Finance, Budget and National Planning, Itohan Ehiede, Head, Guarantee & Risks Management, NBET, Halima Abdulsalam, Senior Manager Corporate Services, NBET, Johnson Akinnawo, Origination Contract Management and Administration, NBET, all at the event.

healthy and technically robust Nigerian electricity supply industry (NESI).

At the event moderated by Henrietta Ighomrore, Corporate Communications Department, NBET, and Kingsley Okeke, Group Managing Editor, African Leadership, Dr. Ewelukwa also explained that while government strives to bridge the gap between peak demand and peak generation, the system needs to have the ability to physically move the additional power.

Dr. Ewelukwa further stressed that the government's plan is to keep expanding generation, transmission and distribution capacity to meet the country's demand.

"If the system can move that additional power, and GenCos actually are able to move that additional power, that additional power must be paid for.

He insisted that the loan which the federal government is investing in the sector must be repaid by consumers through payment for consumed energy.

"And, so, it goes back to the point I raised about having a sector that is financially healthy and technically robust and that is why this issue of having a coordinated approach is important. You see, if you look at the responsibility from outcomes, just tally the number of government agencies involved tells you that coordination is key.

He talked about coordination between financial, technical and commercial reforms ranging from one to 11.

"So, NBET has seen the need for the actions to be coordinated; it is like having the legs of an octopus. So, what we are saying is that the eight legs of an octopus must work in sync because one leg alone is not enough. So, all these are how to get the market back on track. The fact that federal government has even set up these eleven initiatives tells you that the government

R-L: Dr. Eugene Edeoga, Head, Corporate Strategy & Corporate Commmunications, **Dr. Nnaemeka Ewelukwa,** Managing Director (MD)/Chief Executive Officer (CEO), addressing the participants, **Abba Aliyu, GM,** Corporate Services, **Itohan Ehiede**, Head, Guarantee & Risks Management, **Johnson Akinnawo**, Origination Contract Management and Administration, all of NBET at the event.

is keen on actually driving market reforms and that is why NBET is critical to this whole process.

"Now, when you see this whole process, you will only see NBET feature in number one. But all the other actions you see here are critical to NBET's role. So, really, the question you asked about timeline is a product of all the 11 actions taking place; that shows you the timeline.

"Now, having said that, because this government is keen to actually implement the reforms, to be honest with you, we are having sleepless nights to achieve this; they are milestones, they are targets and that is why I mentioned even the Siemens project that is being aggressively pursued.

"Phase one seeks to achieve stabilised 7,000 megawatts and that is why I will encourage you to, beyond this meeting, have engagements. The engagement will help you to have a more complete picture on the timeline.

"But what I can tell you is that the government is committed to achieving these reforms as quickly as possible."

On Day One, Dr. Ayodele Oni, Partner, Bloomfield Law Practice, took the participants on 'Evolution of the Nigerian Power Sector – From NEPA To PHCN; Roadmap to ESPRA 2005; To unbundling of the sector.

Mr. Odion W. Omonfoman, Managing Director/ Chief Executive Officer, New Hampshire Capital Ltd handled an aspect on 'Understanding the Electricity Value Chain in Nigeria – from Generation to the end customer and all the players between; Mr. Abba Aliyu, General Manager, Corporate Services, NBET, made a presentation on 'The Role of NBET in NESI'.

Day Two, on 'The Electricity Market Explained, Market Rules; Pre-term; TEM and Medium-Term Stages Explained', Ivie Ehanmo, Author/Energy and Regulatory Consultant, offered explicit presentation.

Dr. Eugene Edeoga, Head, Corporate Strategy and Corporate Communications, NBET, discussed 'Understanding Power Purchase Agreement/ Vesting Contract; while Damilola Alada, Associate, Bloomfield Law Practice, presented on 'Challenges That Have Arisen In The NESI Since 2025 – Technical and Commercial'.

'Addressing the Sector Challenges – The Power Sector Recovery Program (PSRP) – PAF; World Bank Support; Budgetary Support' was handled by Johnson Akinnawo and Itohan Ehiede, both of NBET.

So, NBET has seen the need for the actions to be coordinated; it is like having the legs of an octopus. So, what we are saying is that the eight legs of an octopus must work in sync because one leg alone is not enough

How Contributory Pension Scheme Can Solve Challenges Of Nigerian Police - *PenCom*

By Musa Ibrahim

The National Pension Commission (PenCom) has said that the Contributory Pension Scheme (CPS) has provisions that can address the challenges being faced by personnel of the Nigeria Police and other Federal Government Agencies on the administration of their retirement benefits.

The Director General of PenCom, Aisha Dahir-Umar, stated this on Abuja during a public hearing on two pension-related Bills by the House Committee on Pension.

They are a Bill for an Act to exempt the Nigeria Police Force from the CPS and a Bill for an Act to further Amend the Pension Reform Act 2014 to, among other things, provide for a retiree to withdraw a lump sum of at least 75 percent from the Retirement Savings Account (RSA) and to criminalise undue delay in the payment of pension and for related matters.

"The solution to the pension challenges of the personnel of the Nigeria Police does not reside in their exemption from Contributory Pension Scheme and reversion to the Defined Benefits Scheme, which is clearly unsustainable," Dahir-Umar told the Committee.

She said the absence of other social security benefits in Nigeria is partly responsible for the clamour by the retirees for exemption or to access substantial amounts as lump sum from their RSA balance.

The Director General said the exemption of the NPF from the CPS would result in the dismantling of the institutions, systems and processes that Government had put in place in the last few years towards the implementation of the pension reform programme.

"Exemption of the personnel of the NPF would imply additional financial burden on the Federal Government by way of unsustainable pension obligations. For instance, as at September 2021, there were 304,963 Police personnel based on IPPIS data. An actuarial valuation revealed that the retirement benefits (pension and gratuity) liability of these personnel under the defunct Defined Benefits Scheme would amount to about

Aisha Dahir-Umar, Director General of PenCom

N1.84 trillion," she said.

On the other hand, she said that the liability under the CPS for the same NPF personnel is made up of N213.4 billion as accrued pension rights and monthly employer pension contributions of about N2.2 billion.

The Director General said to address the concerns of Police Personnel on pension, the employer can review upwards its current contribution rate of 10 percent.

In addition, she said the PRA 2014 further provides that notwithstanding the pension contributions made by employer and employee into the employee's RSA, the employer may agree on the payment of additional benefits to the employee upon retirement.

"Accordingly, the Federal Government may wish to provide additional benefits in the form of gratuity to personnel of the NPF upon their retirement," she said.

Meanwhile, regarding the 75 percent lumpsum payment, she said the amendment, if approved, would be contrary to the provision of Section173 of the 1999 Constitution of the Federal Republic of Nigeria (as amended), which guarantees the right to pensions for all public officers as the payment of "at least 75 percent of the balance of the RSA" as lumpsum at retirement.

She added that this will significantly deplete the pension savings such that the contributions will not be sufficient to provide meaningful pensions during retirement.

"That converts the pensions into a provident fund and leaves such a retiree with no periodic pensions, which is contrary to the requirement of Section 173 of the 1999 Constitution," she said.

The Director General said the proposal is based on a misunderstanding of the concept of pension payment under the CPS.

Similarly, the Chief Executive Officer of the Pension Fund Operators Association of Nigeria (PENOP), Oguche Agudah, said the exemption of the Nigeria Police Force from the CPS would take Nigeria back to the dark ages before the pension reforms.

"This was a time when retirees had to depend on a defined benefit system; where the federal government paid monthly pensions to retirees directly from its coffers," he said.

Agudah aid at the time of the reform, it was estimated that the federal government had a pension liability of over NGN 2 trillion.

"Past experiences have proven that this system puts a lot of burden on the federal government, making it unsustainable. The sustainability of moving the police back to the pay – as – you – go Defined benefit scheme under their proposal is near impossible, given the Federal government's struggling finances at the moment.," he said.

He recommended that from the rank of Assistant Inspector General of Police (AIG) upwards, their pensions should be treated under the category of political appointees who retire with full benefits as stated in the PRA 2014 as their appointments are political in nature.

On the Bill to allow contributors take at least 75 percent of their RSA balance at retirement, the PENOP's CEO said the people that have issues with the lump sum that they collect at the moment are those who have not been able to accumulate enough funds in their RSAs prior to retirement.

He said what the 75 percent essentially is looking to achieve is a gratuity type payment to retirees, adding that the PRA in its current form does not preclude the payment of gratuities by employers as many departments and agencies of the Government already pay gratuity to their staff on retirement.

"What we suggest is that employers should be encouraged to pay gratuities at retirement and/or increase their level of monthly contributions in order to boost the balances and subsequent pension payout of their staff," he said.

Meanwhile, The Contributory Pension and Happy Retirement Advocacy (COPEHRA) has urged the Nigeria Police Force to shelve their propose plan to leave the Contributory Pension Scheme.

COPEHRA's legal adviser, Barr. Mahmoud M. Ayinla, explained that "The Government is always finding ways to cut down cost of governance, over head and recurrent expenditures; in a bid to provide more for capital and developmental programs and projects. Incurring a life-long recurrent pension liability with increasing funding by the year is of no benefit to the economic viability of the nation as it also incurs its associated administrative costs."

He noted that One of the grievances of the Police is the poor monthly Pension of a corresponding Officer Grade in CPS while in DBS, The Pension was Higher.s

He said the solution is "For government to increase the funding of the RSA and not to take the whole pension payment including its administration.

Barr. Ayinla said the CPS has so far been transparent and the country cannot afford to return to the Defined Benefit Scheme.

"The devastating past story of the country's pension industry (Defined Benefit Scheme) cannot be compared with the ease, consistency and sustainability of the Contributory Pension Scheme (CPS). The former DBS was riddled with fraud, corruption and lack of transparency as government continually budgeted monies with no corresponding reduction pension liabilities.

"The CPS has provided a platform to track contributions and savings via monthly, quarterly and yearly statements to the contributors and pensioners while the regulator (PenCom) carryout their regular regulatory and compliance functions.

"We at COPEHRA believe that all the grievances of the Police should be resolved within the CPS. This is better for the majority Policemen and women, and it is better for the Nation," he further stated.

The NGO believes that the Contribution from employer can be upgraded to 50 percent. They however noted that the 75 percent contained in the Bill is too much.

COPEHRA also supported the aspect of the Bill which seeks to criminalize employers who fail to pay retirement benefits to employees immediately after Retirement.

Currency In Circulation Rises By N418bn Over Cash Transactions, Says CBN

By Albert Egbede

The Central Bank of Nigeria (CBN) has said that currency in circulation (CIC) had risen by N418billion from N2.91trillion in December, 2020, to N3.33trillion in December, 2021.

According to figures obtained from the CBN data, it showed that currency in circulation had increased by 19.06 percent from N2.44trillion recorded as of December, 2019.

The CBN said in its report on currency operations that, "the growth in CIC reflected the continued dominance of cash in the economy."

The report further read in part, "Analysis of the CIC shows that a greater proportion was in higher denomination banknotes (N100, N200, N500 and N1000). The higher denomination banknotes together accounted for 63.47 percent and 98.08 percent of the total CIC, in terms of volume and value, respectively.

"The volume of lower denomination banknotes (N5, N10, N20, N50) accounted for 28.43 percent of the total CIC and 1.92 percent, in terms of value as at end-December 2020."

According to the CBN, electronic payment options were introduced with a major aim of reducing the amount of naira notes used for transactions, but not to eliminate cash usage.

Cashless transactions using the e-payments, the CBN said, would help to increase convenience, provide more service options, reduce risk of cash-related crimes, and provide cheaper access to (out-of-branch) banking services and access to credit.

The CBN defines currency in circulation as currency outside the vaults of the central bank, that is, all legal tender currency in the hands of the general public and in the vaults of the deposit money banks.

The CBN said it employed the "accounting/statistical/withdrawals & deposits approach" to compute the currency in circulation in Nigeria.

It said this approach involved tracking the movements of currency in circulation on a transaction-by-transaction basis.

According to the CBN, for every withdrawal made by a deposit money bank at one of CBN's branches, an increase in CIC is recorded; and for every deposit made by a DMB at one of CBN's branches, a decrease in CIC is recorded.

The transactions are all recorded in the CBN's CIC account, and the balance on the account at any point in time represents the country's currency in circulation.

Stakeholders Project Risk-Based Capital For Insurance Growth

• As NAICOM Releases Operational Guidelines For Web Aggregators

• **Mr. Sunday Thomas,** Commissioner For Insurance/Chief Executive, National Insurance Commission (NAICOM)

By Musa Ibrahim

As technology continue to shape activities in the insurance sector, stakeholders in the insurance industry have aggregated their opinions on the initiatives that will drive growth in the sector.

Consequently, the National Insurance Commission (NAICOM) and the Chartered Insurance Institute of Nigeria (CIIN) have stated that risk-based capital approach, investment in digital capabilities and automation, capacity development programmes, specific products development, among others, would drive industry growth this year.

They made the submissions at the recently concluded 2022 Business Outlook Seminar organised by the CIIN.

The business outlook seminar which took place in Lagos had the theme: 'Economic Policies of the Government in 2022: Challenges, Issues and Prospects.

Making his contributions, Commissioner for Insurance, Mr. Sunday Thomas, who spoke on the topic 'Strategies Aimed at Cushioning the Effects of the COVID-19 on the Operations of the Nigerian Insurance Industry and the Way Forward,' said that NAICOM ensured increased visibility for the insurance sector.

He also said that the commission has also continued to implement effective policyholder protection schemes, market development as well as strengthen regulatory oversight and risk management.

"The commission reviewed current policyholders' protection schemes and improved use of the security fund for settlement of insolvency and distress; improved enforcement of market conduct rules; and monitored the degree of customer satisfaction and enhanced insurance awareness by policyholders in Nigeria," Thomas said.

Going forward, the Commissioner stated that the insurance operators need to embrace risk-based capital approach, enhanced investment in digital capabilities and automation, standardisation of reports and capacity development programmes, among others as the way forward to growing the industry.

Also speaking, Muftau Oyegunle, President/Chairman of Council of CIIN, described the forum as an avenue where key players in the insurance industry and financial subsector of the Nigerian economy converged to review the business environment in the country, for the immediate past year and strategise on the way forward for the insurance industry in the new year.

He said that the programme examined the national budget, reviewed the thrust of the fiscal and monetary policies of the government and estimated how these would influence the insurance industry, in particular, and the economy in general.

While making his presentation, Oladimeji Alo, Managing Director/CEO, Excel Professional Services Ltd., said that there was a huge prospect in the insurance industry that was yet untapped in the country.

According to him, this is one reason foreign investors are coming into the Nigerian insurance industry.

He also said that there was a need for insurance companies to increase awareness on claims paid by the industry, and attract the public with friendly retail insurance products.

On his part, Peter Ashade, Group Chief Executive Officer, United Capital Plc, speaking on the topic, 'Insurance Perspective of the Theme Paper', implored operators to focus on the oil sector, stressing that the Petroleum Industry Act (PIA) would create more opportunities for the insurance industry to harness.

He also urged them to increase their capacity on agricultural insurance as there are huge opportunities in the sector.

He called for proper management of data. "Note that the quality of your decision making is driven by the quality of your data," Ashade stated.

This Operational Guidelines shall serve as a working document to register, supervise and monitor web aggregators as insurance intermediary who maintain a website for providing information on products of different Insurers.

Meanwhile, while executing its constitutional mandate as contained in the National Insurance Commission Act 1997, NAICOM has released the 'Insurance Web Aggregators Operational Guidelines - 2022'.

The Guidelines seen by fmfinsights indicates: "The guidelines shall apply to all web aggregators and Insurers respectively carrying on insurance business in Nigeria;

"These guidelines shall be read in conjunction with other relevant legislation, guidelines and circulars as determined to be applicable to the newly inclusive distribution channels approved by the commission; and

"It is the responsibility of web aggregators to obtain any clarification required on the applicability of this guidelines, and any other regulations from the commission," NAICOM further stated.

In A Record-Breaking Move, NDIC To Settle Depositors Of 22 Failed Banks

By Musa Ibrahim

In a record-breaking move, the Nigeria Deposit Insurance Corporation (NDIC), says 100 percent of liquidation dividends to depositors of 22 deposit money banks (DMBs) will be cleared.

The NDIC also pledged to pay depositors whose monies are trapped in those 22 distressed banks.

Mr. Bello Hassan, Managing Director (MD) of NDIC, while speaking at the 'NDIC Day' at the concluded 43rd Kaduna International Trade Fair represented by Bashir Nuhu, Director of Communication and Public Affairs at NDIC, called on depositors of banks in-liquidation to avail themselves of the corporation's physical and online platforms for claiming their trapped deposits.

He said that the online claim verification platform had been incorporated into the claim page on the NDIC's website, to facilitate the processing of claims from the comfort of depositors' houses and offices.

According to Mr. Hassan, the primary public policy objective of NDIC is to contribute to financial system stability by making incidences of bank runs less likely, while also protecting depositors by providing an orderly means of resolution and reimbursement in the event of bank failures.

"It may interest you to note that from its dogged liquidation activities, the corporation has declared 100 percent liquidation dividends to depositors of 22 DMBs in liquidation," he explained.

"What this means is that NDIC has realised enough to pay all depositors of the concerned 22 DMBs 100 percent of their money trapped in those banks.

"As a result, the corporation has since moved on to commence payment of liquidation dividends to creditors and shareholders of some of the banks, indicating that their depositors can access their full payment whenever they file their claims."

Mr. Hassan also said that the corporation provides deposit insurance cover to microfinance banks (MFBs), deposit money Banks (DMBs), non-interest Banks (NIBs), primary mortgage banks (PMBs), subscribers of Mobile Money Operators (MMOs), and also to the recently licensed payment service banks (PSBs).

"Presently, each depositor of DMBs, NIBs, PMBs and subscribers of MMOs are insured up to the maximum limit of N500,000.00 per bank in the event of failure; while the maximum insured coverage for depositors of MFBs is N200,000.00 per bank," he said.

Hassan, however, said that depositors who have funds in excess of the insured limits were paid dividends from the proceeds of assets and debt recovery in respect of the failed banks.

'This emphasis becomes pertinent as depositors often ask what becomes of their funds in excess of the NDIC guaranteed sums," he added.

"The guaranteed sums are first and immediate payment while liquidation dividends are second and prorated payments attached to the bank liquidation mandate of the corporation."

Why Capital Base Of Banks May Be Raised

In another development, there are indications that the new minimum capital base requirements for Nigeria's banks would range between N35 billion and N230 billion, going by the new position of the Central Bank of Nigeria (CBN).

The Governor of CBN, Mr. Godwin Emefiele, reiterated this recently while stating that the current capital base of the banks is no longer realistic, principally because of the massive devaluation of the Naira, since the benchmark was set about 10 years ago.

Recalled that CBN under Lamido Sanusi as the governor had pegged minimum capital base of banks at N15 billion (US$113 million at exchange rate of USD/132.85 then) for regional licence, N25 billion (US$188m) for national licence and N100 billion (US$753m) for international licence.

Mr. Emefiele had stated: "In the next five years, we intend to pursue a programme of recapitalising the banking industry so as to position Nigerian banks among the top 500 in the world. Banks will therefore be required to maintain higher level of capital, as well as liquid assets in order to reduce the impact of an economic crisis on the financial system.

"It was Governor (Chukwuma) Soludo, in 2004, who did the last recapitalisation we had, moving the capitalisation from N2 billion to N25 billion. I must commend that effort because it resulted in positioning Nigerian banks, not only in Africa, but to become among top banks in the world, in terms of capitalisation.

"It also helped strengthen the banks to take on large transactions and those are the things they badly needed.

"Today, when you relate N25 billion in 2001 exchange rate, which was about N100/$1, N25 billion was about $200 million. Today, if you relate N25 billion at N360/$1, you can see that it is substantially lower than $75 million.

"What we are trying to say is that the capitalisation has weakened quite substantially and there is need for us to say it is time for us to recapitalise Nigerian banks again.

"It is a policy thrust which will be discussed at the Committee of Governors' Meeting and, of course, the framework for the recapitalisation of Nigerian banks would be unfolded for the whole world to know." the CBN governor further stated while stressing the need to up the capital base of banks in the nearest future.

THE TEAM

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Advertising/Photo Director
Aisha Augie-Kuta

Enquiries
08023130653
08058334933

Marketing
Elizabeth Akamai

Subscriptions
Sandra Usman

Graphics/Production
Gabriel Olatunde Emmanuel

D2-32 Atiku Abubakar Crescent, Cityview Estate, Dakwo, Abuja

EDITORIAL

Sustaining Economic Growth

The latest economic growth as outlined by the National Bureau of Stastics (NBS) which indicated that strong Gross Domestic Product (GDP) grew in 4th quarter of 2021, driven by growth in the non-oil sector, is a welcomed development.

According to the report, the non-oil sector contributed 92.76 per cent of the GDP, powered by agriculture, trade, information and communication (telecommunication), including financial and insurance subsectors.

In as much as the nation's economy made a rebound, strongest since 2014 and 5th sustained straight positive growth since 2020 recession, policy makers will do us all a lot good if this is sustained.

Economic growth is defined to be an increase in the production of goods and services in an economy.

Increases in capital goods, labour force, technology, and human capital can all contribute to economic growth.

Economic growth is commonly measured in terms of the increase in aggregated market value of additional goods and services produced, using estimates such as GDP.

In simplest terms, economic growth refers to an increase in aggregate production in an economy. Often, but not necessarily, aggregate gains in production correlate with increased average marginal productivity. That leads to an increase in incomes, inspiring consumers to buy more, which means a higher material quality of life or standard of living.

Meanwhile, economists argued that the growth recorded in the last quarter of 2021 could be linked to the base effects of the recession witnessed in 2020 and did not necessarily take into account the above indicators.

They also emphasised the impacts of the increased economic activities and higher oil prices during the reference year.

According to them, the GDP figures are not a sign of better economic conditions as many Nigerians didn't witness any improvement in their wellbeing during the year under review.

They posited that there is a very strong base effect in this numbers because when you are comparing 2021 with 2020, you are comparing a year when the economic activities were less affected by COVID to a year where we had a very severe impact of COVID.

A year where we had a recession, a year when the economy contracted and a year when quite a number of sectors were on lockdown, so, when you are comparing 2021 with that kind of baseline, naturally, you should expect a very significant increase because it is year on year.

Secondly, economic activities generally are rebounding, COVID is no longer that constraining, supply chains have been restored, sectors that were under lockdown have resumed operations, so the tempo of economic activities has increased because of the removal of the restrictions instituted to manage the pandemic.

Thirdly, in 2021, we saw a rebound of oil price, with an average of almost 60 to 70 percent so the recovery of oil is also a major factor.

In addition while the growth should be acknowledged and cautiously commended, its impact on other parameters such as poverty, unemployment and other macroeconomic indices should be explored.

We must acknowledge and cautiously commend the annual growth, but more importantly, GDP is not an end itself, it is a means to an end, so we need to interrogate how the GDP is impacting other things such as poverty, employment, performance of SMEs, and macroeconomic indices like inflation and exchange rate. When you begin to look at these other parameters, you begin to see that the impacts on these parameters are very limited. We can't just be celebrating numbers but the impact of the numbers on the wellbeing of Nigerians. There is a whole lot that needs to happen to address poverty, inflation, the problems in the investment landscape and other parameters.

At this juncture government should improve on infrastructure like power, roads and other amenities to galvanize manufacturing industries for massive employment of our youths

We are also appealing to policy makers to marshal out plans to remedy leakages in delivery and encouraging more people, especially wealthy Nigerians to go into agriculture. The CBN policy of agrol-allied borrowing which has brought about increase in rice production is in the right direction.

The major drivers of the expansion - the non-oil sector (4.73 percent) - with main positive contributions from agriculture (3.58percent), trade (5.34percent), information and communication (5.03percent) and financial services (24.14percent), should receive more attention so as to sustain the growth.

Policy makers need to ramp up demand-supportive measures, including increasing government spending to ensure that the recovery and economic growth and its gains traction are sustained.

Dissecting The Public Reforms Bill Before NASS

• As BPE Mulls 42 Transactions This Year

By Musa Ibrahim

The effective management of public assets for increased efficiency is what taxpayers and the public expect from those entrusted with the mandate to administer public assets.

The proposed Public Reforms Bill before the National Assembly is aimed at improving the efficiency and management of public assets and financial health of the federal government.

Thus, the need to reform the administration of public asset may be the right step in the right direction, if the reform is properly understood and conceptionalised to ensure the efficiency, financial prudence and transparency in the use of public assets.

Ingredients Of The Bill

Findings by fmfinsights show that the primary aim of the bill is to repeal the Bureau of Public Enterprises (BPE) Act and enact an Act for improved efficiency and management of public assets in Nigeria and for related matters.

However, the legislative framework, that is the Acts of National Assembly that regulates the procurement, disposal, management and commercialisation of public assets is much wider than the scope of the legislation that the current bill seeks to repeal.

There are several changes in the bill that were absent in the present legislation. One of which is some of the nomenclatures adopted in the bill. The bill has substituted the word 'Enterprise' with 'Asset'.

Furthermore, the Act that the bill seeks to repeal covers only privatisation and commercialisation of public asset, but it also seeks to expand the scope to include disposal of public assets, public private partnerships (ppps), infrastructure concession and joint ventures.

Functions Of BPE In The Bill

In specific terms, the bill gives the Bureau powers to carry out periodic monitoring of all reformed, privatised, commercialised, concessioned and public private partnership sectors to assess performance and enforce compliance with the terms and conditions of the relevant contracts entered into between the Bureau and private investors.

This bill imposes the functions and powers that have already been given to the Federal Executive Council (FEC) and the Infrastructure Concession Regulatory Commission under the ICRC Act on the National Council of Public Assets and the Bureau of Public Assets, which include the approval of any contract that any ministry, department or agency of the federal government of Nigeria enters into with respect to the financing, construction, operation, or maintenance of public assets of the federal government and as the regulator for public private partnerships, concessions and joint ventures, respectively.

The powers conferred on the Bureau of Public Assets in the bill conflict with the powers of the FEC and Infrastructure Concession regulatory Act under the ICRC Act.

However, it is believed that it will cause a bit of fracas in the administration of public private partnerships, concession and joint venture between the public sector and the private sector. The established legal and regulatory framework for public private partnerships, concessions, and joint venture of public asset derives its authority from the ICRC Act.

The commission has through the instrumentality of its Act, carried out hundreds of public private partnership transactions in Nigeria. Conferring the same

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Assets Of Pension Contributory Scheme On The Rise

By Felix Omoh-Asun

The assets of the Contributory Pension Scheme (CPS) have been on the steady rise, according to reports.

Sources from PenCom show that both 2021 4th quarter and January 2022 contributions rose significantly as against 2021.

While pension assets rose by N190 billion in January, hitting N13.61trillion, that of 4 quarter as at 31 December 2021 grew by 3.26 percent quarter-on-quarter, to N13.42 trillion from N13.01 trillion recorded in September, 2021.

Figures from the National Pension Commission (PenCom) indicate that total assets under the CPS rose by N190billion in January.

PenCom disclosed this in its report titled, 'Unaudited Report on Pension Funds Industry Portfolio; Approved Existing Schemes, Closed Pension Fund Administrators and RSA Funds.'

The report says the funds rose from N13.42trillion as of the end of December 31, 2021 to N13.61trillion as of December 31, 2022.

According to the report, the pension operators have invested N8.35tn in federal government securities, while N2.28trillion and N123.4billion were invested in mutual funds.

The Pension Funds Operators Association of Nigeria said that safety and transparency were inbuilt into the scheme.

It stated: "The CPS which Nigeria currently practices has inbuilt checks and balances embedded into the system. The model is such that the Pension Fund Administrators who administer and make investment decisions do not have custody of the funds.

"The custody of all the pension funds is held with separate and independent entities – the Pension Fund Custodians. These PFCs are owned by four of Nigeria's largest banks.

"Furthermore, these banks give irrevocable guarantees on pension funds held in their custody, so if anything happens to the fund's while in their custody, it will be refunded by the parent organisation."

According to the association, there is a guarantee on all funds contributed outside of possible diminution by investment activities, the association said.

In addition to the inbuilt safety structure of the CPS, the Pension Reform Act states that all pension operators must hire compliance officers who will be responsible for ensuring compliance with the provisions and regulations of the industry and the internal rules and regulations of the pension operators.

It said they are statutory staff members who ensure compliance within operators.

PenOp stated, "The summary of this section is that the CPS as currently practiced in Nigeria has inbuilt checks and balances and administrative safeguards unlike the previous Defined Benefit Scheme run by the government that is opaque and prone to corruption."

"The CPS is one scheme that we can point to that is institutionalised and not based on the whims of individuals."

Meanwhile, the rise in assets in the 4th quarter of 2021 was mainly driven by contributions and federal government assets

The report said that the total value of Nigeria's pension fund assets as at 31 December 2021 grew by 3.26 percent.

According to the fourth quarter 2021 report of the PenCom, the growth was mainly due to pension contributions received and market valuation of federal government bonds and equities.

Details of the report show that the bulk of the pension fund assets was invested in the federal government securities accounting for over 65 per cent of the pension assets.

Further analysis shows that investment in the securities increased by 6.7 percent to N8.77 trillion in December 2021 from N8.22 trillion recorded in September.

Further breakdown of the investments in federal government securities shows that investment in the federal government bonds increased by 2.3 percent to N8.3 trillion in December from N7.8 trillion in September.

Investment in Nigerian Treasury Bills declined by 9.9 percent to N255.7 billion from N283.9 billion, agency bonds increased by 3.9 percent to N14.3 billion from N13.8 billion, Sukuk Bonds increased by 48.3 percent to N118.3 billion from N79.8 billion, while Green Bonds increased by 394.6 per cent to N59.3 billion from N11.9 billion.

PenCom, in the report, stated: "The growth in Q4 2021 was higher than the growth of N343.99 billion or 2.72 percent recorded in Q3:2021, mainly due to contributions received and market valuation of FGN bonds and equities.

"The increase in the value of investments in FGN Securities was majorly due to additional investments in this asset class during the quarter."

According to PenCom, the cumulative Retirement Savings Account, RSA, registrations grew by 0.72 percent at the end of Q4'21 to 9,529,127 from 9,461,173 recorded in Q3'21.

This was mainly attributed to an increased level of compliance by the private sectors.

The report stated further: "The Commission approved 5,930 retirees' requests to draw pension through the Programmed Withdrawal mode during the quarter under review.

"These retirees received a total lump sum of N21,914.44 million while their total monthly pension amounted to N291.28 million.

"The Commission granted approval to 2,647 retirees under the Retiree Life Annuity during the quarter under review.

"A total lump sum of N7,176.57 million was approved for payment to the retirees, while the sum of N16,898.18 million was approved for payment to 14 Retiree Life Annuity Providers as premium in return for total monthly/quarterly annuities of N173.76 million.

"During the quarter under review, approvals were granted for payment of death benefits amounting to N15,049.49 million to the legal beneficiaries/administrator of 2,800 deceased employees and retirees. This comprised 2,093 public (FGN & State) and 707 private sector employees/retirees."

As regards death benefits, the report noted: "During the quarter under review, approvals were granted for payment of death benefits amounting to N15,049.49 million to the legal beneficiaries/administrator of 2,800 deceased employees and retirees. This comprised 2,093 Public (FGN & state) and 707 private sector employees/retirees."

For enbloc payment, the report stated: "During the quarter under review, the Commission approved enbloc payment of retirement benefits to 2,327 retirees whose RSA balances were N550,000.00 or below and considered insufficient to procure Programmed Withdrawal or Retiree Life Annuity of a reasonable amount for an expected life span.

"In this regard, a total sum of N586.62 million was paid to the 2,327 retirees from both the public and private sectors."

For disengaged workers, it stated: "The Commission approved the payment of N6,414.57 million to 10,804 RSA holders under the age of 50 years, who were disengaged from work and unable to secure jobs within four months."

CONTINUED FROM PG 8

powers on two different bodies will just create more problems and confusion both legally and on the economy.

In another development, National Council on Privatisation (NCP), chaired by the Vice President, Professor Yemi Osinbajo, has listed 42 transactions approved by the Bureau of Public Enterprises (BPEs) 2022 work plan.

The transactions are 11 in the energy sector, 10 in the industries and services sector, eight in the agriculture and natural services sector and 13 in the infrastructure and public private partnership sector.

Rising from its first meeting for the year 2022 at the Presidential Villa, after its inauguration recently, the council also approved 2022 revenue and expenditure of the bureau including the 2022 work plan risks and mitigation plans.

The BPE, at the end of every year, carries out a postmortem review of its activities and achievements via-a-vis the current year's work plan and prepares a detailed work plan containing the deliverables and the cost and revenue estimates for the upcoming year for consideration and approval by the NCP.

The work plan provides the framework for tracking the implementation and realisation of the approved projects. Contained in it is a compendium of the various projects and reform initiatives which the BPE intends to carry out in 2022.

Meanwhile, the NCP has approved the delisting of three privatised enterprises from routine monitoring activities of the BPE. This is after they had fulfilled their covenants as identified in the key performance indicators (KPIs) contained in the Share Sale and Purchase Agreement (SSAP) signed with the BPE.

The companies are Federal superphosphate Fertilizer Company (FSFC), Kaduna; Cement Company of Northern Nigeria (CCNN) Sokoto and Ikoyi Hotel (now Southern Sun) Lagos.

Their delisting followed a request by the BPE to the NCP for approval at its maiden meeting for year 2022 which was held for two days (penultimate week at the Presidential Villa. In its request, the bureau noted that it had carried out a review of the enterprises in line with BPE's mandate to manage post —privatisation issues of privatised public companies and was satisfied the core investors had ensured compliance with the covenants.

BPE stated that it had developed standard processes and procedures for delisting privatised enterprises which all privatised enterprises are bound to comply with before being recommended for delisting.

In assessing the now delisted enterprises, the BPE said that it reviewed all the data submitted by the core investors in line with their KPIs as indicated in the SSPA and followed up with an on-the-spot assessment of the companies to validate the data submitted which showed excellent performance.

FSFC was incorporated in September 1973 with an installed capacity of 100,000 metric tons per annum and privatised in 2005. It was handed over to the core investor, Messrs HEIKO Consortium in January 2006.

While Ikoyi Hotel also called Nigerian Hotels Limited was established in 1932 and owned 100 percent by the federal government, was privatised through assets sale to BETA Consortium Limited with a bid price of $13,867,000.000 and handed to the investor in 2003.

The Cement Company of Northern Nigeria Plc (CCNN), Sokoto was commissioned in 1967 with the federal government owning 45 percent shares of the company.

In 2000 the government shares were divested through a strategic core investor sale/Initial Public Offer (IPO). During its privatisation, an already existing shareholder and technical partner to CCNN, ScanCem/Dammnaz International Limited, emerged as the core investor of the company. In 2010, the company was acquired by BUA international.

The delisted enterprise will be presented with their discharge certificate later.

NEWS IN PICTURE

The Federal Ministry of Finance, Budget & National Planning organised a retreat for members of Senate Committee on Local & Foreign Debts & House Committee on Aids & Loans in Lagos recently. At the event themed: 'Process optimisation in Donor-Financed Projects in Nigeria', were those personalities.

NEWS IN PICTURE

Karameh Industrial City

MIKANO INTERNATIONAL LIMITED

With a legacy of over 29 years, Mikano has stamped its authority as a leader in providing reliable, quality solutions for the Nigerian economy. The Mikano mark of excellence is evident across our five divisions, which cut across various economic sectors; Steel Fabrication, Electrical & Lighting Solutions, Heavy Construction Equipment & Forklifts, and General Civil Works and most notably, Power Generation.

Mikano is currently the largest Assembler of power generating sets in West Africa, with offices in all the major cities in Nigeria, excellent 24-hour support service centers established in over 20 branches and a dealer network in strategic locations nationwide.

Recently, Mikano International ventured into the automotive industry; setting up one of the largest Auto-Assembly Plants in Nigeria, situated in Karameh Industrial City, Wawa, a short five-minute drive from the city of Lagos.

Mikano products and services cut across 5 sectors classified as divisions; namely:

- POWER GENERATION
- STEEL FABRICATION
- ELECTRICAL & LIGHTINGS SOLUTIONS
- HEAVY CONSTRUCTION EQUIPMENT & FORKLIFTS
- MOTORS

"Mikano is currently the largest Assembler of power generating sets in West Africa."

POWER GENERATION

Mikano is the retailer of choice for authentic Perkins (UK), YORC and MTU Onsite Energy diesel (9KVA to 5,000 KVA) and gas (500KVA and above) generators for residential and industrial purposes. Our services include the maintenance of these units by our professional and dedicated aftersales team who ensure that our customers experiences with our generators post purchase are highly satisfactory.

The YORC diesel generator sets have been proven to demonstrate up to 10% fuel efficiency compared with other recognized brands and they come with a 4-year extended warranty.

Our relationship with MTU Onsite Energy involves the installation, commissioning and operation of large-scale systems in strict accordance with MTU's high quality standards. We are currently running sizable projects across the country; delivering uninterrupted power supply to our respective clients, with the potential to supply any capacity of power required. Our recent projects include operations where we provide power capacities of 20MW and above.

Mikano is the retailer of choice for Perkins, YORC and MTU Onsite Energy diesel and gas generators

STEEL FABRICATION

As one of the largest steel fabrication companies in West Africa, Mikano is well equipped with hi-tech machinery that ensure precision in the fabrication process to produce the best steel products. Our engineers are well trained and skilled at crafting simple steel to the most intricately designed products for décor, modelling and more.

The fabricated oven-baked steel delivers strong, long-lasting and rust-free products such as Steel furniture, Lockers, Supermarket shelving, Streetlight poles, Cabinetry, Storage racks, Storage (Diesel) tanks and a variety of other designs based on our clients specifications and needs. If you can dream it, we can steel it.

Our well-equipped steel fabrication production delivers the best steel products

ELECTRICAL & LIGHTING SOLUTIONS

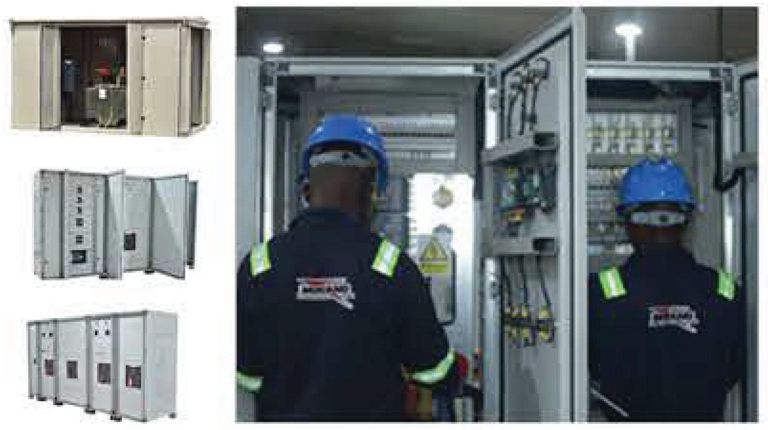
Mikano is a major hub for one of the world s top lighting brands - Philips Lighting (Signified), supplying quality lighting items such as LED bulbs, LED Tubes, LED panels, Down lights and Spotlights, Waterproof and Non-waterproof Battens, High bays and Low bays, Floodlights, Streetlights, Canopy lights and much more.
We have partnered with renowned brands in the electrical sector - ABB and Schneider Electric to provide Low Voltage (LV) and Medium Voltage (MV) equipment such as Transformers and RMUs. We also deliver Feeder Pillars, Distribution Boards, Customized panels, Breakers (MCB S, MCCB S RCCBs and ACB S), Changeovers (Manual and Automatic), Control products (Timers and Relays), Electric Motors, Contactors and Manual Motor starters, Variable speed drive and soft starters (VFD), Wiring devices, Enclosed switches and Signalling devices, UPS, Fuse etc. Mikano now proudly manufactures its own brand of unique Circuit Breakers - The Mikano Electric Circuit Breaker; which comes in MCCB and MCB.S

ELECTRICAL & LIGHTING SOLUTIONS contd

Mikano Circuit Breakers, DBs and Lighting solutions

We have partnered with renowned brands in the electrical sector - ABB and Schneider Electric to provide Low Voltage (LV) and Medium Voltage (MV) equipment such as Transformers and RMUs. We also deliver Feeder Pillars, Distribution Boards, Customized panels, Breakers (MCB S, MCCB S RCCBs and ACB S), Changeovers (Manual and Automatic), Control products (Timers and Relays), Electric Motors, Contactors and Manual Motor starters, Variable speed drive and soft starters (VFD), Wiring devices, Enclosed switches and Signalling devices, UPS, Furse etc. Mikano now proudly manufactures its own brand of unique Circuit Breakers - The Mikano Electric Circuit Breaker; which comes in MCCB and MCB.S

Panel Building: Extending our provision of functional and quality solutions within the electrical space, Mikano uses its unique LV products such as breakers to design and custom build a wide range of type-tested high-quality Low Voltage Switch Boards (LVSB S) with outstanding reliability and functionality.



Customized Panels and Compound Sub Station built by Mikano

This highly technical and technological sub- division of Mikano s, is certified by both ABB and Schneider Electric to offer Form ratings from Form 1 through to Form 4.

Each LVSB can be custom built to conform to clients' specific and general stipulations, incorporating- where applicable- all international standards including ISO/ASTA certificates + MAAN.
Our Panels construction is available in a variety of configurations including front and rear access, top and bottom cable entries, etc. Mikano also manufactures custom Compact Substations under license from Siemens and has become a leading name in the Nigerian market for delivering optimized solutions.
"Whatever your Electrical Control Panel needs we have the in-house expertise to design from scratch a system to match your application needs, or to build bespoke panels to your existing requirements".
Our customized Panel types include Automated & Manual Transfer Switch Panels, Single & Dual Automated main failure boards, Unlimited multiple generating MV &LV synchronizing & load sharing systems, Totalizing Panels (Common Busbar), Main Distribution Boards (MDB) & distribution Board, Type- tested panels, Motor Control Centers (MCC): DOL, Star-Delta, Soft starter and Speed drives, Distribution Panels, Lighting Panels and Power factor correction panels.

HEAVY CONSTRUCTION EQUIPMENT AND FORKLIFTS

Mikano is the sole distributor of Hyundai Heavy Industries in Nigeria

Heavy Construction Equipment and Forklifts: Mikano is the sole distributor of Hyundai Heavy Industries (HHI) in Nigeria; distributing and servicing the full range of its HEAVY CONSTRUCTION EQUIPMENT& FORKLIFTS. We have recently partnered with CAMC and KAMA to distribute and maintain their Heavy-duty and Light-duty line of trucks. We are passionate about providing quality equipment, tailored for the Nigerian topography and climate, making jobs faster and more convenient.

We provide and deliver: Crawler Excavators, Wheeled Excavators, Wheeled loaders, Motor graders, Backhoe loaders, Skid steer loaders, and Forklifts

MIKANO MOTORS

The GEELY Coolray and Emgrand 7 SUV are proudly assembled and distributed in Nigeria by Mikano Motors

Our determination to continually provide world-class solutions has prompted our desire to provide Nigerians excellent, durable and reliable vehicles, further extending our product portfolio. Mikano International has partnered with the world's most innovative and fastest growing automobile brands; Geely Automobile and Zhengzhou Nissan Auto (ZNA). A partnership agreement was signed with GEELY Automobile International Corporation as the strategic and Exclusive Partner of Geely Autos in Nigeria. The Geely brand is one of the fastest growing global auto brands, having 100% full ownership of Volvo Autos, the largest shareholding at AG Daimler; the parent company for Mercedes- Benz, 100% ownership of LEVC- makers of the Black London cabs. In 2021, Geely was made the only Asian auto manufacturer to be included in the IATF (International Automotive Task Force), joining other names such as the BMW Group, Renault Group, Volk swagen.
Our venture into the Auto Industry has seen Mikano International place a substantial investment in the development of a World- class assembly plant, State- of- the art service centers and Showrooms nationwide. The Mikano International- Motors Division, currently sells and services the ZNA Rich 6 line of pickup trucks, Geely's Coolray SUV and Emgrand 7 Sedan and soon, the Maxus/ LDV brand of autos, with its roots in the United Kingdom will join the Mikano Motors portfolio.

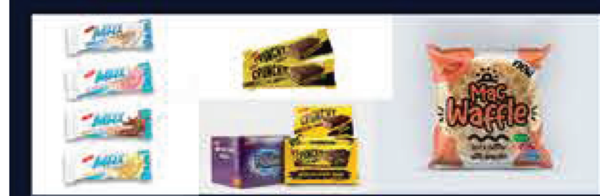
In addition to Mikano International's five divisions, are our three 3 sister companies; Afri-Medical Limited, Mikano Foods Limited and Mikano Construction.

AFRI-MEDICAL LIMITED

Afri-Medical produces high-quality medical equipment including syringes, surgical and non-surgical face masks

Currently providing a portfolio of premium, user-friendly solutions that help protect against virus-related infections, the Afri-medical factory, also situated at Karameh City, manufactures a wide range of products. These include our SMART SANITIZING TUNNEL and SMART SANITIZING FRAME (an automatic 360¡ disinfection barrier that kills 99.9% of germs and viruses), Surgical and Non-Surgical disposable face masks and Sterile hypodermic syringes for Single Use. These are all produced with strict adherence to the most stringent quality assurance standards, adding to our catalogue of indispensable products.

MIKANO FOODS LIMITED



A range of products from Mikano Foods

Gathering from years of hard work, passion and perseverance, our umbrella brand - MAC, has become one of the most expertly produced brands in the line of wafers, chocolates and confectioneries within the region. We offer premium snacks and treats to our consumers. The MAC umbrella brand currently produces; Mac Crunchy Wafer; Mac Max Wafer (available in Vanilla, Strawberry, Banana, and Chocolate flavours); Mac Pebbles; and Mac Waffles, a totally unique product in the Nigerian Market.

MIKANO CONSTRUCTION

With a clear vision of attaining excellence in the Nigerian construction industry, the Mikano Construction Company is successfully delivering several Residential; detached high-rise buildings, Industrial; warehouses, and Commercial property development projects. Our portfolio includes, Luxurious Waterside Residences, Ultra-modern showrooms and massive Industrial Cities; the Karameh Industrial City being one of them. Mikano International's vision to expand even further is already underway with the addition of more product segments. With a plethora of completed projects and notable projects in the pipe-line, Mikano International Limited has emerged a leading name in all related sections of its operations cementing its name "THE ONE STOP SHOP FOR YOUR LIFESTYLE SOLUTIONS".

PTAD Unearths 15,357 Fictitious Pensioners

• Committed To Full Liquidation Of Outstanding Arrears Due Pensioners

By Fatimah Bintu Yussuf

The Pension Transitional Arrangement Directorate (PTAD) has said in Lagos that no fewer than 15,357 people were collecting pensions illegally within the federal government's agencies.

Its Director, Parastatals Pension Department, Kabiru Yusuf, disclosed on the sideline of a one-day training for journalists covering pension subsector.

The directorate was established by the government in August 2013 in compliance with the provisions of the repealed Pension Reform Act (PRA) of 2004.

Its establishment was necessitated by the need to reform the old pension's offices under the defined benefit scheme (DBS) which was bedevilled by myriad problems.

Yusuf noted that while reviewing the number of pensioners on its payroll in the last quarter of 2020, saying that there were 120,000 of them prior to the call for verification.

The director stressed that following the verification, the directorate discovered that 20,191 of the pensioners could not be found on the PTAD verification data base but were on the payroll.

He explained: "After a lot of due diligence, we decided to remove them from the payroll in the belief that if they were genuine pensioners, they would come out to present themselves.

We established a robust complaint management system and notified the pensions commission, our regulator, the National Assembly and agencies, where the pensioners claimed to have worked."

He noted that only 4,834 of the affected pensioners went through the process of the complaint management to present themselves for verification and they were restored on the payroll.

Yusuf explained that some other cases caused by errors were corrected and the affected persons were also restored to the payroll.

He said: "Up till now, we have close to 16,000 pensioners unaccounted for and unless anyone comes out with valid identification, they are people who have been collecting pensions illegally."

He said that he could not name the amount of money the directorate was able to save from ending the illegality, but that in 2016, during the directorate's initiative to validate BVN of pensioners, it saved up to N7 billion.

Yusuf noted that the initiative was geared towards bringing integrity and validity to the data base in place.

Dr. Chioma Ejikeme, Executive Secretary PTAD

In an event to further demonstrate and affirm the unwavering commitment of the government to the welfare of pensioners under the DBS, the Executive Secretary of PTAD, Dr. Chioma Ejikeme, in her speech at the ceremony for the payment of accrued pension arrears to pensioners of defunct agencies, stated the directorate's journey in the implementation of the additional mandate for the management of pensions and severance liabilities of ex-workers of about 12 defunct/privatised agencies.

She explained that: "The Pension Reform Act of 2014, mandates PTAD to administer the pensions of retirees of federal government ministries, departments & agencies that did not transit to the contributory pension scheme (CPS). This mandate essentially covers the retirees of Police, Customs, Immigration, Prisons (now Correctional Services), the civil service as well as, federal government parastatals and research institutes that were previously managed by boards of trustees and government appointed insurance underwriters.

"PTAD also received directives from the Federal Ministry of Finance, Budget and National Planning in February 2017, to take over the management of pensions and severance benefit liabilities of ex-workers of NICON Insurance Limited, Nigeria Reinsurance Corporation, Delta Steel Company Limited, New Nigeria Newspapers Limited, NITEL/MTEL, Savannah Sugar Company Limited, Aluminium Smelter Company of Nigeria, Nigeria Aviation Handling Company, Nigeria Defence Academy (civilian staff) Nigeria National Shipping Line, Assurance Bank Nigeria Limited and Federal Housing Authority", she added.

According to the Executive Secretary, these were commercial parastatals of the federal government that were either privatised or liquidated under the Public Enterprises Privatisation and Commercialisation Reform of the federal government implemented by the Bureau for Public Enterprise (BPE) between 1999 and 2005, and which resulted in the disengagement of existing workers of the agencies. The disengaged workers were either paid five years lump sum pension or severance benefits as compensation as a result of their disengagement.

"The resulting grievances from the disengagements and severance payments gave rise to agitations which continued for more than a decade. It was, therefore, President Muhammadu Buhari's directives to resolve these matters that led to the Honourable Minister of Finance directing the directorate to take over the management of the pension liabilities of the ex-workers in order to better protect and enhance their welfare.

"To implement the directives received, PTAD worked directly with the Bureau for Public Enterprise (BPE) and other related stakeholders to ascertain the qualified ex-workers, compute their pension entitlements and subsequently enrolled them to monthly pension payments from October 2018. On their enrolment, pension liabilities ranging from 84 to 219 months had accrued and were inherited by PTAD. PTAD has over the last few years gradually been settling these accrued arrears.

"Today is a landmark in the journey of bringing succour to these group of retirees. 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 & NITEL/MTEL."

Furthermore, Ejikeme thanked the Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, for agreeing personally oversee the completion of the payments that are to be made to respective agencies.

"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 ex-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", she said.

The Executive Secretary reassured the pensioners of NICON Insurance Corporation, Delta Steel Company Limited and NITEL/MTEL that the directorate is fully committed to the full liquidation of the outstanding arrears due to them after these payments.

She said: "As we have reiterated over time, we will continue to work closely with the Federal Ministry of Finance, Budget and National Planning and other relevant government agencies to achieve this objective as quickly as possible.

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.

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

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

OUR CORE MANDATES

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

CAC And Ease Of Doing Business: So Far, So Good

As Commission Announces End To Registration Of Schools As Business Names

*The Corporate Affairs Commission (CAC), saddled with the mandate of registering businesses, corporations and organisations in Nigeria, have in the past few years aligned with the federal government's drive of ease of doing business by fastracking business registrations nationwide. In this report, Our correspondent, **Musa Ibrahim**, analyses the efforts so far.*

According to the latest data from the National Bureau of Statistics (NBS), Nigeria has a total of 39 million Micro, Small and Medium Enterprises (MSMEs).

The MSMEs contribute about 49 percent of the country's entire gross domestic product (GDP).

However, one of the obvious challenges bedeviling the sector sometimes is the delay in registering their companies and businesses to carry out their activities.

To this end, the CAC saddled with the mandate to register companies, among others, has upgraded its operations to align with the efforts of the federal government in the ease of doing business.

It will be recalled that Professor Yemi Osinbajo, Vice President of Nigeria, signed a Presidential Executive Order on Ease of Doing Business in 2017 to encourage seamless procedure for the registration of business entities.

Accordingly, the CAC, under the leadership of Alhaji Garba Abubakar, has upgraded company registration portal (CRP) to serve as an end-to-end electronic registration solution which allows accredited customers and the general public to initiate and complete registration and post registration applications electronically as well as generate outputs remotely.

The digital solution was to improve access to and reduce timelines for the commission's services while shrinking processes and standardising service requirements.

The upgraded company registration portal has an interface for the integration of data submission and document upload for seamless transactions, recognition of electronic signature; e-certificates with quick response (QR) code for instant validation.

The registrar general, as part of his oversight function, has introduced the Limited Liability Partnership (LLP) and the Limited Partnership (LP) incorporation as a novel business entity in Nigeria. To this end, it has deployed the registration interfaces for LLPs and LPs on the CRP.

Garba Abubakar, CAC Registrar-General

The LLP is a partnership arrangement with legal personality separate from the partners. The liabilities of the partners of an LLP are limited to the amount agreed to be contributed or what is outstanding in the event of winding up. An LLP shall have at least two 'designated partners' who will be responsible for compliance with the requirements of the Act by the LLP. The designated partners shall be individuals at least one of whom must be resident in Nigeria. The name of an LLP shall end with the word "Limited Liability Partnership" or the abbreviation "LLP".

The commission's corporate portal now has distinguishing features such as the support center which is aimed at streamlining and tracking support requests from customers for enhanced efficiency.

Each support request is assigned a unique ticket number which may be used to track the progress and resolution of the request (complaint) online. Complete archives and history of all support requests by a customer are available for reference. A valid email address is required to submit a ticket.

Current timelines for registration of companies, incorporated trustees, PPL or PL, enquiries, complaints. Today, business names search in Nigeria corporate registry can be done within four hours while the registration of companies and incorporated trustees can be done within 24 hours. Change of names and deed of release can be done within seven working days.

Today, in furtherance of the vision of the Presidency, all certificate issued by the commission now carries the embedded Federal Inland Revenue Service (FIRS) Tax Identification Number (TIN) upon issuance.

In order to encourage productivity of staff, Mr. Abubakar is passionate about the company registry motivation through egalitarian administration by ensuring promotion of employees as when due.

A staff that qualifies for promotion has his/her cases brought before the board of the commission for approval in consultation with the national salaries, wages and income commission.

Critical staffers were presented with working tools that can help them to work from their respective homes as a prompt for employee productivity enhancement, effectiveness, and efficiency and to work outside official working days.

The commission, after extensive engagement with stakeholders, has also introduced the publication of the companies regulations 2021 approved by the Minister of Industry, Trade and Investment, Otunba Adeniyi Adebayo.

The purpose of the regulations, which came into force on 1st January 2021, is primarily designed to complement the Companies and Allied Matters Act 2020 (CAMA) and to also simplify the procedural regulations for an interface with clients of CAC.

In partial fulfillment of his role as the Registrar-General (RG) of CAC, Mr. Garuba Abubakar led the commission to participate at the three-day Pakistani Business Investing Community event in Nigeria which provided a promotional interface with officials of the commission to scale up sales marketing to target audience, exhibitors /participants.

No fewer than 30 companies indicated their willingness to set up their investment in Nigeria. As the campaign for open government initiative increases worldwide, Mr. Abubakar is quickly following after this trend with a vision of institutionalising the Open Government Initiatives (OGP) at the CAC.

Under his watch, CAC received a grant of USD400,000 from the World Bank under the OGP multi-Donor Trust Fund for the development and deployment of electronic register.

In another development, the CAC has stated that schools and other institutions of learning will no longer be approved as business names.

This is contained in a circular seen by fmfinsights dated 4th of March, 2022 from the RG to all approving officers of the commission.

The circular reads in part: "The Registrar-General has directed that henceforth schools, academies and such other institutions of learning should not be approved or registered as business names.

This is because an institution is essentially a body corporate with perpetual succession, capable of contracting and (subject to such restrictions as may be imposed by other laws) issuing certificates in its own name, which attributes are absent in a business name.

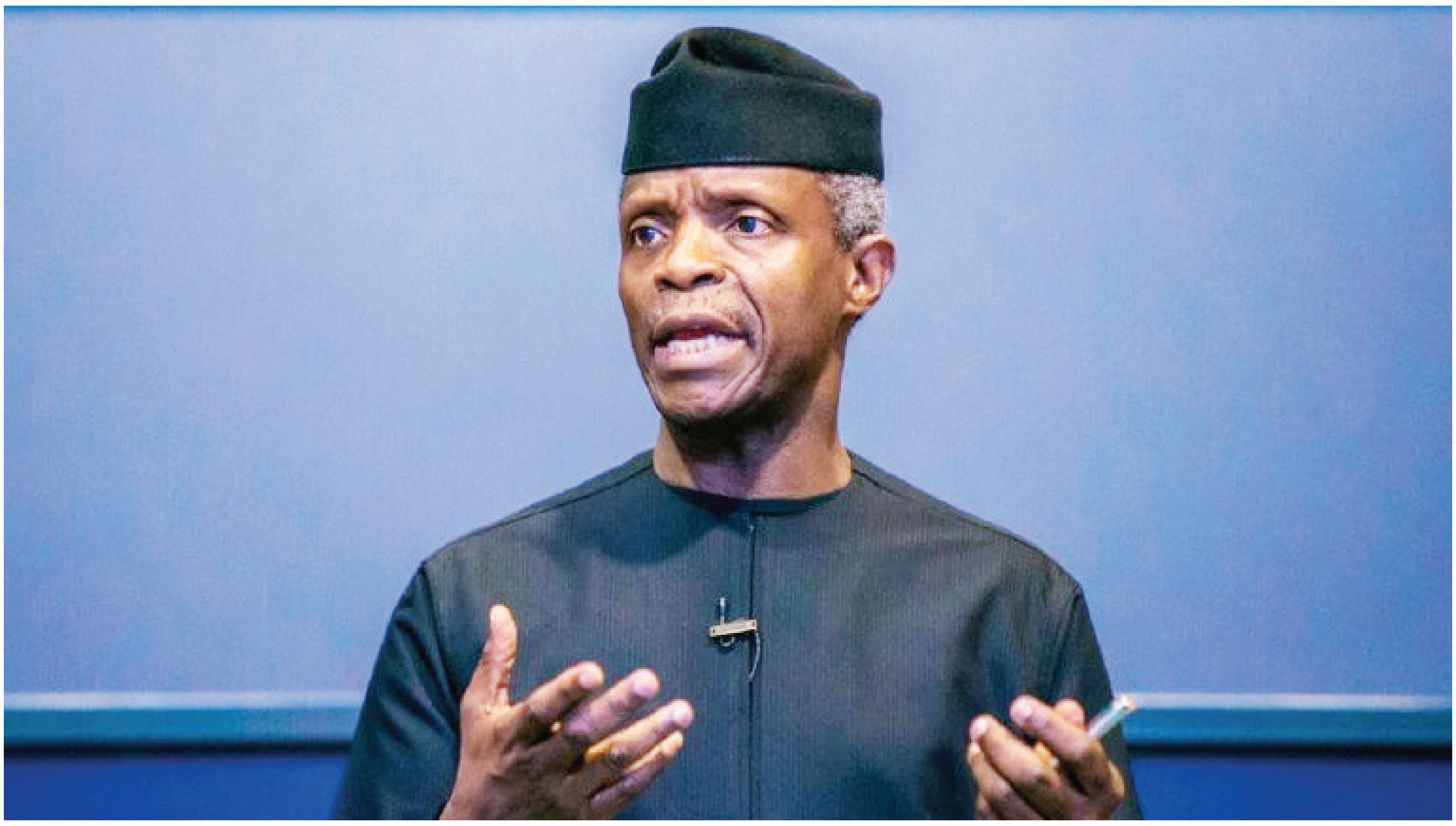
"All Approving Officers (AOs) for Name Availability and Business Name registration are hereby advised to note the above and be guided accordingly."

The circular was copied to the Director, Customer Service Department; Director, Business Names Department; Director, Compliance Department; Director, State and Nodal Operations Department; Head, Registry Department; SA to the RG; and Heads of State Offices.

Private Sector: **Key To Achieving National Development Plan**

• We've Invested N300bn In Private Sector In 2021 Only, Says Osinbajo

The National Development Plan (NDP) which was launched by the federal government in December last year succeeded the Economic and Recovery Growth Plan (ERGP) which expired in 2020. In this report, Our correspondent, ***Musa Ibrahim****, x-rays the relevance of the private sector in achieving the major ingredients of the Plan.*



Vice President, Yemi Osibanjo

The NDP, meant to operate from 2021-2025, is majorly designed to focus on infrastructure, ensure economic stability, enhance the investment environment, improve on social indicators and living conditions of Nigerians, among other targets.

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. The challenges include low and fragile economic growth, insecurity, weak institutions, insufficient public service delivery, notable infrastructure deficits, climate change and weak social indicators.

As such, 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.

Specifically, the plan aims to generate 21 million full-time jobs and lift 35 million people out of poverty by 2025; thus, setting the stage for achieving the government's commitment of lifting 100 million Nigerians out of poverty in 10 years.

The country can achieve these targets through high quality economic growth and a more inclusive economy, leveraging its young workforce, and enhancing implementation capacity at national and subnational levels. With effective implementation, Nigeria will progress significantly on the path of unlocking its potentials in all sectors of the economy for a sustainable, holistic and inclusive national development.

Why Private Sector Involvement is Key

The NDP document is an investment commitment of N348trillion over the plan period of which it is expected that government at all levels will come up with about N49.7trillion or about 14 percent, while the private sector is expected to invest the chunk of the money amounting to N298 trillion or about 86 percent."

Also, provisions have been made in the plan to ensure funding of the programmes and projects. In this direction, the financing strategy of the plan seeks to: identify various funding sources for the plan and map out strategies to ensure that the expected funds are realised; and ensure that adequate finance is available for implementing the plan.

To finance it, Nigeria will generate revenue by broadening the tax base and enhancing the capacity of the private sector through creating investment opportunities and deliberate policy engagements and incentives. Funding sources including domestic borrowing, concessional foreign borrowing and securitisation will be explored. In addition, financial vehicles such as growth funds, securitization and public-private partnerships (PPPs), will be set up.

Most significantly, the source of financing for the plan which is private sector-driven is the Infrastructure Corporation of Nigeria (InfraCo).

Although it is a private sector initiative, it has the support of the government. Additionally, there will be focus on fiscal discipline through institutional compliance with the Fiscal Responsibility Act, deliberate policy, and drastic reduction of inefficiencies in governance.

Other measures that will be implemented in the NDP 2021-2025 include a deliberate policy to address inflation of contracts and high cost of projects with consequences for defaulting officers, and privatisation of some public enterprises that can be self-financing.

Analyst have argued that the success of this plan will depend, to a large extent, on the private sector as well as the establishment of a strong implementation mechanism and framework that promotes performance and accountability. The requisite mechanism and framework for the implementation of the government's activities will encompass robust coordination by the planning arm of the Ministry of Finance, Budget and National Planning. To this end, the budget and planning arm will be strengthened and enhanced to ensure continuity and professionalism in plan development, budgeting and execution.

Also, the Ministry of Finance, Budget and National Planning also has the national monitoring and evaluation function and will coordinate with the state governments on the plan execution to involve data, monitoring and evaluation (M&E).

This will require enhanced capacity for effective oversight, tracking and funding. To this end, a Development Plan Implementation unit (PIU) that reports to NSC headed by the vice president, with the Honourable Minister/Honourable Minister of State Budget and National Planning as Vice Chairman, will be established in the budget and planning arm to promote overall coordination with the ministry, departments and agencies (MDAs), private sector operators, civil society organisations (CSOs), amongst others.

The national M&E framework will be fully operationalised and coordinated by the budget and planning arm, for deliberate alignment of the national budget with the plan and deployment of technologies to drive a result-based implementation of the plan in the country. It will equally focus on strengthening the national M&E system to ensure that reliable, timely statistics are generated for the assessment of the implementation of government policies and programmes.

The implementation framework will be supported by a financing strategy, a strengthened national economic management, citizen engagement and legislative changes. National economic management will be strengthened through the coordination of monetary, fiscal, trade, technology and industrial policies in a manner that recognises and resolves any trade-offs or indeed, tensions, across these policies to maintain macroeconomic stability and the optimal growth trajectory.

The government will also seek to develop an efficient communication strategy to create awareness among the stakeholders and their engagement in the implementation.

Meanwhile, stakeholders have asserted that for the plan to achieve its purpose, the federal government must take deliberate steps to encourage the private sector in improving the country's business environment, by enabling more speedy transactions and removing bureaucratic obstacles.

Most importantly, the first Executive Order issued by this government, EO 001 aimed at promoting transparency and efficiency in the business environment must be strengthened as well as Executive Order 003 which promotes support for local content in public procurement must also be taken seriously.

In another development, Nigeria's Vice President, Professor Yemi Osinbajo, said that in a bid to close the infrastructural gap in the private sector the federal government invested an estimated N300billion in the sector in 2021.

In his keynote address at the commissioning of Bankers House in Abuja recently, Professor Osinbajo also disclosed that the government has invested N1trillion seed capital to kick off the N15trillion InfraCo project.

The Vice President disclosed all these while emphasising the importance of the private sector to the growth of the Nigerian economy.

He noted that the success of the development programmes and reforms of the government is largely reliant on the private sector, adding that the government is willing to do whatever it takes to support the sector.

"The federal government has stepped out in front with a robust investment in critical infrastructure, roads, rail, power and broadband connectivity.

"Last year in our bid to close the current infrastructure deficit, we invested an estimate of N300billion. So, we invested in Infraco which I am sure you have all heard about.

"InfraCo is supposed to be a 15trillion enterprise and we put in N1trillion seed capital at the moment.

"The implementation of that plan is expected to be supported by a range of fiscal and monetary policies and includes a more intentional promotion of productivity and value addition," the Vice President said.

Why CBN Should Sustain Interventions In Non-oil Sector

Due to the volatility of oil prices globally, the federal government, through the Central Bank of Nigeria (CBN), over the years has rolled out initiatives that will boost the non-oil sector in line with its diversification policy. Our correspondent, ***Musa Ibrahim, writes.***

Mr. Godwin Emefiele, CBN Governor

Recent data obtained from the National Bureau of Statistics (NBS) showed that Nigeria's gross domestic product (GDP) grew by 3.98 percent year-on-year in real terms in the fourth quarter of 2021, indicating a sustained positive growth for the fifth quarter since the country exited recession in 2020.

The Q4 2021 growth rate was higher than the 0.11percent growth rate recorded in Q4 2020 by 3.87 percent points and lower than 4.03 percent recorded in Q3 2021 by 0.05 percent points.

Worthy of note is that the non-oil sector was the chief driver of the country's GDP growth in the fourth quarter of 2021.

According to NBS, "The non-oil sector grew by 4.73 percent in real terms during the reference quarter (Q4 2021). This rate was higher by 3.05 percent point compared to the rate recorded same quarter of 2020 and 0.71 percent point lower than the third quarter of 2021.

"This sector was driven in the fourth quarter of 2021 mainly by Agriculture (crop production); trade; Information and Communication (telecommunication); and financial and insurance (financial institutions), accounting for positive GDP growth.

"In real terms, the non-oil sector contributed 94.81percent to the nation's GDP in fourth quarter 2021, higher from share recorded in the fourth quarter of 2020 which was 94.13 percent and higher than the third quarter of 2021 recorded as 92.51 percent. The annual contribution in 2021 was 92.76 percent," the apex statistics body in the country stated.

As such, in furtherance of its commitment in export development, the CBN announced recently that exporters would get a rebate of N65 for every dollar of non-oil export proceeds sold to third parties at the importers and exporters (I&E) window.

The apex bank said this in a circular by O.S. Nnaji, Director of Trade & Exchange Department and seen by fmfinsights.

The rebate is part of the benefits under the non-oil export proceeds repatriation rebate scheme — a major anchor of the CBN's RT200 FX programme aimed at attracting $200 billion in foreign exchange (forex) earning from non-oil exports proceeds over the next three to five years.

The I&E FX window is the market trading segment for investors, exporters and end-users that allows for FX trades to be made at exchange rates determined based on prevailing market circumstances.

Currently, naira trades at N416.52 at the I&E window (NAFEX) — which the CBN had adopted as the country's official rate.

The CBN said the rebate scheme was specifically designed to incentivise exporters in the non-oil export sector to encourage repatriation and sale of export proceeds into the FX market.

"The scheme shall pay N65 for every US$1 repatriated and sold at the I & E Window to Authorised Dealers and Banks (ADBs) for other 30 party use," Nnaji says.

"And N35 for every US$1 repatriated and sold into I&E for own use on eligible transactions only. However, the spread should not be more than 10 kobo.

"Payment of the incentive shall be made on quarterly basis. The accounts of exporters that qualify for rebates shall be credited latest one week after the end of the quarter."

The apex bank says only exporters of finished and semi-finished goods are eligible for the incentive.

"Exporters shall qualify for the rebates only, where repatriated export proceeds are sold at the Investors & Exporters Window (I&E)," the circular adds.

"Eligible transactions that qualify for incentives under the scheme shall be export of finished and semi-finished goods wholly or partly processed or manufactured in Nigeria, except otherwise stated by the CBN; and export of goods and services (IT and creative businesses) that are permissible and excluded under existing export prohibition list."

To ensure the success of the scheme, the CBN said: "Banks are, therefore, expected to show full understanding about both the real and perceived objectives of this Circular as any attempts to circumvent the intent of the Scheme shall result in the suspension of the FOREX dealership licence of the ADB for 24months."

The apex bank, however, warned that any exporter that presents fraudulent documents would be banned from accessing the incentive for 24 months and all accounts shall be placed on post-no-debit (PND) for the same period.

Similarly, to complement the non-oil export drive of the federal government, CBN recently launched an initiative to generate $200 billion from non-oil exports and increase foreign reserves.

The initiative 'Race to $200 billion in FX Repatriation (RT200FX) Programme' will stimulate non-oil exports with a $200 billion FX income target in the next three to five years, according to the apex bank.

The CBN Governor, Mr. Godwin Emefiele, said that the programme would be operated through different facilities such as value-added export facility, non-oil commodities expansion facility, non-oil FX rebate scheme and biannual non-oil export summit.

He added that due to the large disparities between the exporters of raw commodities and exporters of semi-finished products, CBN would be adopting schemes and facilities that would help boost Nigeria's foreign exchange value chain.

"Given these alarming disparities between the exporters of raw commodities and exporters of semi-finished products, we believe that the value-added export facility is the first step of getting back some of the foreign exchange that we rightly deserve. Indeed, we believe that this facility will also accommodate e-commerce business," Emefiele said.

"The second facility is the non-oil commodities expansion facility. This facility will also be a concessionary facility designed to specifically post local production of exportable commodities. It will ensure that expanded and new factories that are financed by the value-added facility are not starved of inbuilt raw commodities in their production cycle.

"A massive boost into such commodities will also endow and moderate the prices of those commodities so much that the expected increase in the demand for them will not become a pressure for aggregate prices in the market."

Emefiele noted that there are enormous benefits attached to facilities in the RT200 programme.

"It will ensure that expanded and new factories that are financed by the value-added facility are not starved of inbuilt raw commodities in their production cycle," Emefiele added.

"A massive boost into such commodities will also endow and moderate the prices of those commodities so much that the expected increase in the demand for them will not become a pressure for aggregate prices in the market.

"With the current pace at which the federal government through the NEPC and other supporting institutions are promoting non-oil export, stakeholders and experts have affirmed that the federal government are indeed on course to take a decisive shift from the oil sector of the country.

Disbursements So Far

Consequently, the CBN has announced that so far, it had disbursed a total of N145.99 billion under its non-oil export stimulation facility (NESF).

The apex bank through a series of interventions has tried to reduce the hardship and boost economic growth by promoting other lagging sectors.

According to the CBN, "The Bank has disbursed a total of N145.99 billion under its non-oil Export Stimulation Facility (NESF). The CBN has revised the guidelines, working with Nigerian Export-Import Bank to improve access to the intervention and stimulate non-oil export growth in Nigeria."

The apex bank has also played a substantial role in the development of the real sector, as it stated that, "under the real sector facility, the bank released the sum of N1.00 trillion to 269 real sector projects, of which 140 are in light manufacturing, 71 in agro-based industry, 47 in services and 11 in mining."

This was also a similar intervention in the health sector, as the CBN stated: "Under the healthcare sector intervention facility (HSIF), N103.02 billion has been disbursed for 110 healthcare projects, of which 27 are pharmaceutical, 77 hospitals and six other healthcare service projects."

Recalled that Mr. Emefiele earlier revealed that the financing gap for micro, small and medium enterprises (MSMEs) in Nigeria is estimated to be over N617.3 billion each year.

The CBN in the past had made many efforts to boost access to credit for MSMEs. Last month, the apex bank developed guidelines for the regulation and supervision of credit guarantee companies in Nigeria.

The CBN disbursed N134.57 billion to Agribusiness/Small and Medium Enterprise Investment Scheme (AGSMEIS), and for the targeted credit facility (TCF), the sum of N343.21 billion.

Stakeholders in different fora have continued to commend the efforts of the apex bank with its series of interventions, while urging it to sustain the tempo as it will be the only way Nigeria could actualise its diversification from the oil economy.

FG's Policies Push Agriculture As Big Earner

By Albert Egbede

The Governor of Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has posited the role played by the apex bank in actualising policies of the federal government to make agriculture the cornerstone of the nation's economy.

President Muhammadu Buhari-led administration has right from inception beckoned on Nigerians to embrace agriculture to lift the nation out of mono economy whose live wire has been oil.

Emifele's comment is against the back drop of government's policies that have given agriculture, especially the production of rice and other farm produce, a boast in recent times.

Emefiele, while addressing journalists during an inspection tour of the palm plantation at Odighi village in Ovia North East Local Government Area of Edo State, expressed satisfaction with the level of interest in agriculture and the impacts the sector has recorded in the last six years, saying the bank is playing a central role in the sector to create jobs and drive growth.

The CBN governor expressed delight that the bank has assumed a pivotal role since 2015 upon the pronouncement by President Muhammadu Buhari that "we produce what we eat and eat what we produce."

He said the different interventions were aimed at repositioning the sector to create employment opportunities as well as grow the gross domestic product (GDP).

Emefiele was elated with the strides being recorded in the production of rice, maize and cassava and expressed optimism that in the next twelve months, palm produce harvests would have commenced.

While acknowledging the significant role played by Edo State government and Gov. Godwin Obaseki, he appealed to other states to emulate Edo, which has made available about 70 per cent of the arable land he promised.

On the socio-economic impact of the CBN interventions, Emefiele singled out the Anchor Borrowers Programme (ABP), among other intervention schemes, saying it has revolutionised agricultural practice with smallholder farmers now being given credit facilities in the forms of inputs.

Emefiele also commended the efforts of the promoting company, Agri-Allied Resources and Processing Limited and its parent company, Tolaram Group, for their backward integration programmes.

These policies have also resulted in integrated rice mills that today dot the nation's landscape.

This has a multiplier effect on farmers' output, food availability, job creation and poverty eradication.

The CBN disclosed recently that over 58 new integrated rice mills have been facilitated through various policies of the federal government in the last seven years.

Emefiele pointed out that rice mills in Nigeria were fewer than 10 in 2015, with a combined capacity of fewer than 350,000 metric tonnes yearly. However, as of January 2022, there were over 68 integrated mills with a combined capacity of three million metric tonnes.

Emefiele explained that the Anchor Borrowers' Programme (ABP), introduced in 2015, had a catalyst effect on rice cultivation, processing and other value chain activities, saying about 10 more integrated mills would be opened this year.

"Food security remains a cardinal deliverable for every developing economy as it serves as the fulcrum of many other economic development indices," he said.

The governor called on integrated millers in the country to also invest in cultivation of rice paddies to complement smallholders' production and boost availability of raw materials for their mills while driving the policy of the country to be self-sufficient in rice production.

He disclosed this recently in Kano while unveiling Gerewa Rice Mill, an integrated 420-metric-tonne per day rice mill.

He urged mill operators to get involved in paddy cultivation as part of their backward integration plans and cooperation with the Nigerian Rice Farmers Association (RIFAN) for sustainability.

"The private sector-led Accelerated Agriculture Development Scheme provides long-term financing options to millers to finance commercial farms, land development, irrigation facilities; and other agricultural infrastructure that will enhance the production plan," Emefiele said.

He said that the quality of milled Nigerian rice was comparable to that of rice produced elsewhere in the world.

3,407 Road Crashes Recorded In Q4 2021, Says NBS

A total of 3,407 road traffic crashes were recorded in the fourth quarter of 2021, this is according to the National Bureau of Statistics (NBS).

According to a Road Traffic Watch report released on Thursday by the NBS, the fourth quarter figure indicated a rise of 8.71 percent from the 3,134 road crashes recorded in Q3 2021.

The Bureau noted that the number of vehicles involved in road traffic crashes were 4,946 in Q3 2021 compared to Q2 2021 which recorded 5,134 crashes.

"In Q3 2021, total road traffic crashes were 3,134, showing a decrease of 1.60 percent from Q2 2021, which recorded 3,185. This rose by 8.71 percent in Q4 2021 when 3,407 cases were recorded. Disaggregating crashes into categories shows that serious cases of road crashes in Q3 2021 were higher with 2,008 compared to fatal and minor cases with 723 and 403 respectively. Similarly, serious cases stood at 2,199 in Q4 2021 compared to fatal with 888 and minor with 320," the NBS stated.

"In terms of sex distribution of persons killed in road traffic crashes, 1,136 males were killed in Q3 2021, accounting for 79.33 percent of 1,432 persons killed in total. This rose to 1,343 in Q4 2021, representing 81.30 percent of 1,652 persons killed. Also, there were more males injured compared to females in Q3 2021 recording 78.51 percent. The trend continued in Q4 2021 with males accounting for 76.01 percent of injuries.

"The number of vehicles involved in road traffic crashes were 4,946 in Q3 2021 compared to Q2 2021 which recorded 5,134. This indicates a decline of 3.66 percent in Q3 2021. Similarly, 5,323 vehicles were involved in crashes in Q4 2021, indicating a 7.62 percent growth from the preceding quarter. In Q3 and Q4 2021, commercial vehicles were mostly affected in road crashes compared to private, government and diplomatic vehicles."

The NBS further revealed that North-Central region recorded the highest cases of road crashes in Q4 2021 with 1095.

"On a zonal basis, the North-Central recorded the highest number of crashes in Q3 2021 with 1,041, followed by the South-West region with 822. In terms of casualties, the North-Central recorded the highest which stood at 2,963, followed by the South-South region with 2,237. Similarly, the North-Central recorded the highest cases of road crashes in Q4 2021 with 1095, followed by the South-West region with 876. In addition, the North-Central recorded the highest casualties in Q4 2021 with 3,663, followed by the South-West region with 2,395.

The Federal Road Safety Corps (FRSC) had in August 2021 disclosed that 5,320 Road Traffic Crashes and 2,471 deaths were recorded in the first half of 2021 nationwide.

The Corps Public Education Officer (CPEO) Assistant Corps Marshal (ACM), Bisi Kazeem, said that the recorded crashes and deaths occurred between January and June 2021, noting that the corps had not relented in its efforts at reducing carnage on the highways.

He said that the 5,320 RTCs that occurred in the country involved a total of 8,808 vehicles, adding that 2,471 people were killed.

NCDMB Grows Nigerian Content Fund To $500m As It Partners To Produce 10% Cooking Gas For Local Demand

By Felix Omoh-Asun

As Nigeria seeks to expand its frontiers in economic growth, the Nigerian Content Intervention (NCI) Fund has exceeded half a billion dollars.

This was made known by the executive secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Simbi Kesiye Wabote.

He spoke recently at the Sub-Saharan African International Petroleum Conference (SAIPEC) organised in Lagos by the Petroleum Technology Association of Nigeria (PETAN).

He indicated that the NCI Fund which is extended as low-cost credit to qualified oil and gas companies covers asset acquisition, project financing, manufacturing, working capital, loan refinancing, women in oil and gas, and research and development.

The NCI Fund is a component of the Nigerian Content Development Fund (NCDF) which is accumulated through one percent deductions from contracts awarded in the upstream sector of the oil and gas industry.

Wabote added that the board is using the NCDF to catalyse the construction of modular refineries, gas processing plants, LPG terminals and bottling plants, LPG Cylinders manufacturing plants, lube oil blending plants, base oil production plant, methanol production plant, and many others.

He canvassed that a similar fund replicated at the continental level and be utilized to develop huge mega oil and gas projects, particularly as world financial institutions were getting reluctant to finance hydrocarbon-related projects.

He said: "let me use this opportunity to once again canvass for the creation of an African Local Content Fund that could be utilised to set up a bank or finance institution to provide funding for the development of oil and gas projects in Africa.

"This is especially important against the backdrop of the reluctance and outright declaration by some banks and financial institutions to stop funding of hydrocarbon-related projects. I hope the AFRIEXIM Bank, Africa Development Bank (AfDB), or the Africa Union (AU) through the African Continental Free Trade Area (AFCFTA) Secretariat need to institute a form of contribution, no matter how little, as a fund to support the continent's need for funds."

He explained that, "in our own case, the deduction of one percent of every contract awarded to any contractor, subcontractor, alliance partner or any other entity involved in any project, operation, activity, or transaction in the upstream sector of the Nigeria oil and gas industry has resulted in us having a pool of funds to support various intervention programmes."

Speaking further, the executive secretary described the recent spike in crude oil prices above $90 a barrel as an excellent opportunity for African oil producers and its service providers to develop new fields, ensure security of supply and affordability as well as increase revenue generation.

He noted that the price of crude oil has increased by 50 percent in 12 months and African oil producers should use the opportunity to also make plans towards energy transition, and lowering the cost of services.

Dwelling on the topic "Sub-Saharan Africa Local Content Collaboration Strategy," Wabote stated that, an enabling regulatory framework backed with the appropriate legislation is very fundamental in local content practice. He commended African oil producers for putting in place investor-friendly laws to promote oil and gas industry as well as ongoing collaboration among the countries to advance the local content journey.

He noted that such laws will align with the goals of the AFCFTA which seeks to create the world's largest free trade area

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Mergers, Acquisitions Among PFAs Healthy For Pension Sector

*The pension industry recently experienced some major developments which led to major acquisitions and mergers of some Pension Fund Administrators (PFAs). Our correspondent, **Musa Ibrahim**, writes.*

The recent acquisitions and mergers of some Pension Fund Administrators (PFAs) has been described as a deliberate effort to maintain a sane and secured industry and ensure that some Pension Fund Administrators have the financial stamina to sustain their growth in the sector.

Accordingly, the National Pension Commission (PenCom) announced the approval of the request for the merger and acquisition of some operators in the pension industry.

The commission said it approved the acquisition of Investment One Pension Managers Limited by Guaranty Trust Holding Company Limited.

It also approved the subsequent change of name from Investment One Pension Managers Limited to Guaranty Trust Pension Managers Limited.

Also approved is the acquisition of AIICO Pension Managers Limited by FCMB Pensions Limited; and the merger between Tangerine Pensions Limited and APT Pension Funds Managers Limited.

PenCom disclosed this in a post on its Facebook handle and seen by fmfinsights.

According to the post, Pencom also approved the subsequent change of name of the merged entity to Tangerine APT Pensions Limited.

GTCO completes acquisition of funds management, pension firms.

FCMB partners Ogun on mortgage loans

The post reads, "This is to inform all stakeholders and the general public that the National Pension Commission (PenCom) has approved the following Mergers and Acquisitions;

"The Acquisition of Investment One Pension Managers Limited by Guaranty Trust Holding Company Limited and subsequent change of name from Investment One Pension Managers Limited to Guaranty Trust Pension Managers Limited.

"The Acquisition of AIICO Pension Managers Limited by FCMB Pensions Limited; and the Merger between Tangerine Pensions Limited and APT Pension Funds Managers Limited and subsequent change of name of the merged entity to Tangerine APT Pensions Limited."

Consequently, FCMB Pensions stated: "We are pleased to inform you that AIICO Pension Managers has merged with FCMB Pensions Limited, a leading Pension Fund Administrator. Consequently, AIICO Pension will now be referred to as FCMB Pensions, a member of the FCMB Group.

"With this merger, we reassure all our valued customers of safety of funds, sustained and competitive return on investment, more service outlets, FCMB Group offering and better customer experience."

However, FCMB Pensions did not show or name its new board and management.

In the majority stake takeover, FCMB Pensions bought 26.1 per cent stake held by other shareholders in AIICO Pensions, thereby making FCMB Pensions a majority shareholder with 60 per cent stake in AIICO Pensions.

This is in line with the approval from PenCom, which ordered Pension Fund Administrators (PFAs) to raise their minimum share capital base from N1 billion to N5 billion by April 12, 2022.

A notification by FCMB Group Plc through a corporate disclosure to the Nigerian Exchange Limited (NGX) last year affirmed that it had purchased a 60 percent stake in AIICO Pension Managers.

AIICO Insurance also confirmed the announcement with a notification to the NGX and the public that it had sold 33.9 per cent of its shareholding in AIICO Pensions, which added to the 26.1 percent FCMB bought from other shareholders in the company made FCMB a majority shareholder. This was lower than a 70 percent stake earlier stated to the NGX.

FCMB said: "The acquired stake was reduced from the initial 96.3 per cent stake in our notification to the NGX on June 25, 2020 to comply with the transaction structure approved by regulators."

The company added that the acquisition was to combine the activities of its pension management subsidiary, FCMB Pensions Limited, with that of AIICO Pensions to build a stronger and more resilient business.

Background

The National Pension Commission had in May 2021 directed PFAs to raise their shareholders' fund, from N1 billion to N5 billion giving them 12-month transition period.

The development was the second time the regulator is raising the capital base of PFAs since the inception of the Contributory Pension Scheme in 2004.

In 2011, PenCom had raised the operating capital of PFAs from N150 million to N1 billion.

However, the current leadership of PenCom under Mrs. Aisha Dahir-Umar says a N5 billion minimum capital is what is required of PFAs.

Experts React

Reacting to the recent mergers, the Director, Centre for Pension Rights Advocacy and Consultant, National Institute for policy and Strategic Studies, Kuru Jos, Ivor Takor, admitted that the recent mergers and acquisitions is a good omen for the sector.

He said the development would strengthen the industry and breed healthy competition among PFAs.

The development, he added, would give the industry the economy of scale benefit and ensure safety of funds.

Also, Former South East Regional Manager, Premium Pension Managers, Mr. Paddy Ezeala said the importance of huge capital for the pension industry cannot be overemphasised as it will ensure that all existing PFAs were on sound footing.

He said it was good to build an all-inclusive industry comprising the small, medium and big scale operators but with the new capital level, the regulator was about building a large scale operating industry.

He said with level of the new capital, it was obvious the regulator wanted only the huge operators with huge capital to exist.

He said in doing this, it needed to explain to ordinary Nigerians how the huge capital would contribute to the security of each company's asset under management.

He said in spelling out the new capital regime which according to him is bound to send some PFAs and their workforce out of business, "the regulator should have known that if the fear was on the possibility of any PFA going down, it should not have arisen since going down of any PFA has nothing to do with the pension asset because the assets were not with the PFAs but with the Pension Fund Custodians who in turn have invested the funds."

Before the mergers, Nigeria had 22 licensed pension Fund Administrators operating in Nigeria.

The are AIICO Pension Managers Limited, APT Pension Fund Managers Limited, ARM Pension Managers Limited, CrusaderSterling Pensions Limited, FCMB Pensions Limited.

Fidelity Pension Managers, First Guarantee Pension Limited, IEI-Anchor Pension Managers Limited, Investment One Pension Managers Limited, Leadway Pensure PFA Limited, Nigerian University Pension Management Company (NUPEMCO), NLPC Pension Fund Administrators Limited, NPF Pensions Limited and OAK Pensions Limited.

CONTINUED FROM PG 20

by integrating 1.3 billion people across 54 African countries, with the objective of tapping into a combined Gross Domestic Product (GDP) of over $3 trillion

He described AFCFTA as the practice of local content on the continental level, noting that it is a huge trading and collaboration platform for the participating countries.

In his remarks, the chairman, PETAN, Mr. Nicholas Odinuwe advocated for regional collaboration and innovation to enhance the future of energy sector.

He disclosed that the key enabler for the continent is to create a collaborative ecosystem between the local industry stakeholders alongside AfCFTA.

Odinuwe encouraged governments across Africa to provide necessary incentives to attract private sector investments across the entire value chain which would trigger a massive economic revolution, human capital development, and deepen local content across the continent.

Meanwhile, in another event, Wabote said the NCDMB has secured approval to work with select partners to produce Liquified Petroleum Gas (cooking gas) that would meet 10 percent of current nationwide demand.

The Executive Secretary announced this while speaking at the 2022 Nigerian International Energy Summit (NIES), which ended in Abuja last week.

He said the board's latest efforts are geared towards actualizing the federal government's Decade of Gas Policy as well as the overarching Nigerian Content aspirations which are to deepen in-country capacities in the oil and gas industry, create jobs for the teeming youths and retain spending in the economy.

He explained that the federal government had introduced clear policies to make the nation become a gas-powered economy, one of which is the Decade of Gas that seeks to leverage on the country's huge gas reserves to become not just a major exporter but to become a major gas consuming nation.

He also highlighted other board's investments and partnerships in the gas sector to include the creation of a 10 hectares gas hub in Polaku, Bayelsa State for hosting gas-based infrastructure and facilities, LPG jetties/terminals, storage facilities, inland transportation, cylinders manufacturing, bottling, and retail.

According to him, "Our partnerships in the gas sector have unlocked 6,000metric tonnes of LPG storage facilities, annual production of 1.2million LPG composite cylinders, and infrastructure and facilities for processing of 840MMscfd of gas across fourteen states of the federation namely Bayelsa, Delta, Edo, Lagos, Kano, Kaduna, Katsina, Bauchi, Nassarawa, Zamfara, Niger, Plateau, Gombe, Jigawa states and the Federal Capital, Abuja."

Commenting on the recently passed Petroleum Industry Act (PIA), Wabote encouraged international and local operators in the industry to approve final investment decisions (FID) for new projects to justify the energies that went into enacting the business-friendly legislation.

He hinted that NCDMB was always eager for new projects to be approved for sustainable growth in the industry and expressed hope that some new projects would soon be announced on the back of the PIA 2021.

Contributing to the theme of the conference, which was on "Revitalising the Industry: Future Fuels and Energy Transition", the NCDMB boss explained that various transitions from one form of energy to another have been driven by the availability and utilization of local resources

He recalled that mankind used various energy sources, ranging from biomass in the 15th century, coal in the 19th century, and crude oil and its derivatives at the beginning of the 20th century, gas in the late 20th century, and now the push for renewable sources in the 21st century.

He remarked that the past energy transitions did not witness the total jettisoning of the previous form of energy, forecasting that what would be experienced in this era would also be a re-adjustment of the energy mix.

He argued that the western world's agenda for energy transition was motivated by the depletion of hydrocarbon reserves and forests in their locality, leading to their push for renewables and green energy to power their economies. He said that the United Kingdom and most European nations currently rely heavily on oil importation, and they consider this scenario a threat to their energy security, thus their push for the locally available form of energy to come into prominence in the mix.

Osinbajo: Resilience Of Nigerians Spurring Nation To Greater Heights

By Felix Omoh-Asun

The Vice President of Nigeria, Prof. Yemi Osinbajo, recently said that Nigeria was programmed for greater heights due to the resilience of its citizens as well as their great potential.

He also stressed that the federal government understands the critical role the private sector plays in delivering value to the Nigerian economy and was focused on leveraging collaboration opportunities to usher the nation into a more prosperous new decade.

The vice president, who spoke at the official inauguration of the Bankers House of the Chartered Institute of Bankers of Nigeria (CIBN) in Abuja, emphasised that Nigeria was set for great heights, not only because, "it is a nation of great dreamers and great doers," but also for the resilience of its people and their great potential.

"With a population constituting the largest market on the continent, a swelling demography of ambitious, tech-savvy young people, accelerating regional integration and connection to new markets, Nigeria has been presented with an unprecedented opportunity to launch the country into a new decade of sustained prosperity.

"An opportunity we are fully committed, as a government, to translating into lived realities for millions of Nigerians across the country.

"Every time Nigeria has been expected to sink, we have soared and risen beyond our troubles. We have drawn joy from the depths of despair and found the courage to keep going, even in the most daunting of challenges. The Nigerian spirit remains unfazed and persistently bankable," he added.

He observed that, "the realisation of the country's potential, at this crucial moment, will require the careful choreography of government policies that remove every impediment in the way of those determined to pursue their dreams and build businesses."

Osinbajo highlighted the impact of government policies in this regard, including the work of the Presidential Enabling Business Environment Council (PEBEC) towards improving Nigeria's business environment and economy.

The vice president noted that in the past six years, the Buhari administration, through PEBEC, had, "aggressively pursued the creation of an environment that allows Nigerian businesses, at every level, operate without the bottlenecks and drawbacks that have come to characterise their interface with agencies and regulators."

He added that government was also, "building on the progress of these reforms and aggregating lessons from some of the setbacks in its implementation," with the launch of PEBEC's 7th 60-day National Action Plan (NAP 7.0) on the Ease of Doing Business.

The NAP 7.0, which started on February 7, was programmed to run until the 7th of April, 2022.

"We will consolidate on the achievements in removal of regulatory constraints around agro-exports, driving electronic filing of taxes and working closely with the States to make their own business environments friendlier," he added.

He further restated the administration's commitment to follow through on its economic policies to better the lives of Nigerians.

According to him, "this largely informs the zeal that has attended the ongoing implementation of our new National Development Plan (NDP), 2021-2025, a medium-term agenda that seeks to, among other things, generate 21 million full-time jobs and lift 35 million people out of poverty by 2025."

Underscoring the importance of, "a conscious reliance on private enterprise and initiative," in the successful implementation of the plan, the vice president said, "the plan commits the government, at all levels, to an investment of about N49.7 trillion, and envisages private sector investment of N298 trillion, making a total of N348 trillion."

"The implementation of the plan is expected to be supported by a range of fiscal, monetary and trade measures, including more intentionally promoting productivity and value addition," he added.

Also shedding light on the critical role of the banking sector in boosting the Nigerian economy, the vice president explained that despite, "several years of

some of the most severe macroeconomic challenges – including the 2008 financial crisis, the oil crises that followed, and an unexpected pandemic, the Nigerian banking industry, owing largely to your outstanding professionalism, has continued to show incredible resilience and growth, contributing about N34.6 trillion to the country's GDP in 2017, N37.8 trillion in 2018, N42.7 trillion in 2019 and N53.3 trillion in 2020."

Osinbajo made reference to the rise of Nigerian unicorns in recent years, stating that, "in 2021 African tech start-ups raised over $4 billion in funding, with over 564 start-ups across the continent solving critical problems in almost every sector. Nigeria accounted for 35 percent of this. Nigeria today has six unicorns, tech companies valued at over 1 billion dollars. All of them started after 2015, and have grown between two recessions."

Customs Suspends VIN Valuation For One-Month

By Felix Omoh-Asun

After the uproar by Clearing agents and also two weeks strike, the Nigeria Customs Service (NCS) has suspended the implementation of the controversial Vehicle Identification Number (VIN) valuation for one month.

Customs finally yielded to the clearing agents and importers' opposition to the regime on imported vehicles, urging clearing agents to clear the backlog of trapped vehicles through manual assessment.

The Nigeria Customs Service (NCS) in January introduced VIN, a new valuation system used for allocating standard values to all vehicles coming into the country.

The system, according to Customs, automatically determines the value of import duty that an importer is expected to pay on any imported cars immediately after the vehicle is passed through a dedicated scanning machine.

Saidu Galadima, assistant comptroller general of Customs, ICT/Modernisation, said VIN is an automated system that would aid the valuation of imported vehicles entering into the country through all Nigeria's approved entering points.

Vehicles are one of the major imports that come into the country regularly and the idea behind VIN was to address the agitation of clearing agents and other port users who have requested a standardised valuation system.

However, the Service in a circular directed that all customs area controllers to monitor the transition period and ensure manual assessments are in full compliance with extant laws.

The circular with reference number NCS/T&T/ACG/008/S.100/VOL 111 was titled: 'Approval for grace period to clear backlog of vehicles.

It noted: "Sequel to the recent Customs/ stakeholders town hall meeting held in Lagos on VIN valuation, I am directed to convey the approval of the Comptroller General of Customs (CGC) for a one-month window to enable the clearing of a backlog of vehicles held up in the ports.

"You are requested to note that the VIN valuation protocol is still in operation as reviews and updates are being captured in our systems to reflect these adjustments. Customs Area Controllers have been directed to monitor the transition period and ensure manual assessments are in full compliance with extant laws.

Before the latest decision, no fewer than 12,000 imported vehicles were trapped at the ports in Lagos in the last two weeks.

It would be recalled that Shippers Association of Lagos State (SALS), said that the trapped vehicles were as a result of the strike embarked by clearing agents over the Vehicle Identification Number (VIN) valuation introduced by the Nigeria Customs Service (NCS).

The association feared that demurrages and other charges had accumulated to N600million within two weeks.

At a joint media briefing organised in Lagos by NdigboAmaka Progressive Association and Shippers Association of Lagos State (SALS), Jonathan Nicol, president of SALS noted that the trapped vehicles at the ports accumulated demurrages and terminal storage charges amounting to over N600million.

He said: "The VIN regime must be discarded and be suspended immediately. They must ensure that all the trapped vehicles are given accelerated clearance from the ports without major demurrages because the challenge was not created by importers.

"These 12,000 vehicles attract daily demurrages and shipping line charges and that is quite enormous by the time you quantify how much importers are paying for demurrages; it is amounting to over N600million. We cannot continue to accommodate such expenses anymore.

"Never in the history has the Nigeria Customs Service (NCS) made over N1trillion as Customs duty and now they are making N2trillion. Is that not enough for them? The VIN policy is pathetic and we think enough is enough."

Also, the President of NdigboAmaka, Dr Jude Ringo Okeke explained that his colleagues in the freight Forwarding business had a bitter experience with the NCS and other government agencies in the over their consignments.

He noted that the barrage of complaints has reached its peak, saying that they could no longer bear it further.

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POLICY BRIEF with

ENAM **OBIOSIO**

Opportunities In Trade Policy, Fintech, Among A Few Others

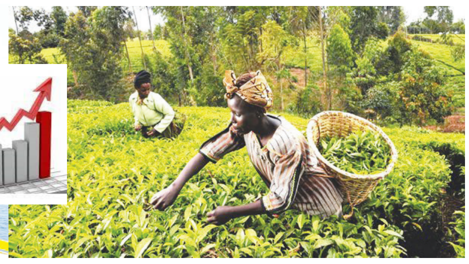
Of course, Nigeria statistically is a very big country with over 200 million people. But it appears a dumping ground for foreign goods because we have no national trade policy and legislation, some people may argue. Some experts believe it is important to enact legislation that will support the Nigerian Office for trade negotiation (NOTN). To support local produce, the starting point is to enact trade remedies legislation. Trade remedies legislation imposes anti-dumping duties on dumped products.

There is also counter-veiling special duties measures imposed on exports into Nigeria subsidised by a foreign country. The trade remedies legislation will also prohibit imports if it is adjudged that they will cause material injury to local industries, for example by impeding growth. A new trade policy and legislation can generate over N1trillion annually including massive jobs creation.

Foreign aircraft dominate the Nigerian airspace and earn well over N1 trillion annually, to our exclusion. What is needed is a policy that will generate and lock in income from aviation in Nigeria. Nigeria can generate over NI trillion annually by simply passing a Fly Nigeria Bill. A Fly Nigeria Act will ensure that public funds to purchase air tickets must originate and fly on a Nigerian carrier. The Fly Nigeria Act will create an instant market of goods, passengers, and services for our national carrier. Jobs will be created and revenue generated to the advantage of the economy.

According to Dr. Olisa Agbakoba, a legal luminary, in his 'Nigeria: Driving Economic Growth Through Legal Innovations', "this is potentially the largest economic sector outside of hydrocarbons. A recent report by a Dutch consultancy firm, Dynanmar, shows that Nigeria loses about N20 billion daily at the ports, which at an annual value, is about N7.2 trillion annually. Nobody is quite sure about the figures from other sectors – Legal, Banking, and Insurance.

In the oil and gas industry, for example, all the major legal work (which is well beyond $1 billion in value) by the major international oil companies (IOCs) are carried out by foreign retained law firms. These foreign law firms are engaged in extensive legal support for the IOCs- from advisory to contract drafting, consulting, arbitration, mediation, cross-border litigation, and the various legal relationships arising between the government of Nigeria and the IOCs in relation to oil well disputes, production sharing contracts and legal issues related to National petroleum Investment Services (NAPIMS).



"The only connection a handful of Nigerian law firms have with legal services in this industry is when they are subcontracted by foreign law firms to provide data support and advisory on the status of Nigerian Law. So, generally speaking, the legal services spend, which is revenue generated and accruable, ought to be invested in Nigeria with the relevant multiplier effects, such as job creation and development," Agbakoba says.

In banking, funds accruable to Nigeria in relation to crude oil production are all domiciled in foreign banks without interest, sometimes for months before remittance to the Central Bank of Nigeria (CBN). No Nigerian bank plays any direct, significant, and pivotal role in the oil and gas industry mainly because Nigeria's huge financial accruable is sent offshore to banks like Barclays, J.P. Morgan Chase & Co., Morgan Stanley, Credit Suisse Group, etc. Additionally, the Insurance Industry plays a very insignificant and limited role concerning the Maritime Industry in Nigeria.

"As far as we know, there are no major marine insurance underwriters that cover risks for the over 15,000 foreign vessels in Nigerian cabotage waters. Noteworthy is the fact that no Nigerian marine insurance company is involved in insurance underwriting in respect of the over 1000 oil rigs in Nigerian waters. Indeed, the oil rigs have formed a cartel of tax avoidance to Nigerian Maritime Administration and Safety Agency (NIMASA). We currently represent NIMASA in a tax avoidance case brought by oil rig companies against NIMASA; NIMASA has confirmed to us that they do not collect tax from oil rigs.

The revenue attributable from oil rigs is estimated at N2trillion yearly, approximately amounting to about 15 percent of the national budget. The shipping sector does not fare any better; no Nigerian vessel carries a drop of Nigerian crude as the freighting of Nigerian crude is firmly in the hands of IOCs.

Regrettably, the legal regime as embedded in NIMASA and NNPC legislation seems to support the control of crude oil freighting by foreign vessels. Available crude oil cargo will support the viability of a national fleet of vessels. This process is possible by reviewing and implementing the existing legal framework.

Nigeria is one of the eight countries that have a continental shelf permitting it to extend its EEZ from 200 miles to a further 150 miles. Nigeria's coastal waters contain diverse species of fish and other aquatic resources, which contribute to food and economic security.

Not long ago, the Nigerian House of Representatives noted that the country loses $70 million each year to illegal fishing. This includes loss of license fees, revenue from taxation, and the value that could have been accrued from legitimate fishing by local vessels. Other sources estimate the cost of illegal exploration of our waters as much higher, citing anywhere between $600 million and $800 million each year. "The variation in these figures reveals the difficulties in calculating the costs of clandestine activity. Vessels from China, the European Union, and Belize are notable for illegally exploiting Nigerian waters. Despite varying estimates, all sources agree that the economic losses caused by illegal exploration in Nigeria are high. Unfortunately, Nigeria has failed to enact the Maritime Zones Bill to take into account the huge aquatic resources estimated at N 10 billion and currently exploited.

The financial services sector (which includes lenders, insurers, banks, investment firms, and pension funds) is the artery through which money flows in the economy. However, the Nigerian Financial Services is not operating optimally because many key legislation and institutions do not exist.

For example, there is no legislation to compel the banks to give credit to the real sector and consumers and stimulate the economy. Banks are engaged in short-term credit lending. Banking legislation that delivers credit to the economy is needed to support a viable economy.

In the United States of America (USA), the Glass – Steagall Act and Frank-Dodd Act focused banks on the proper role to lend to the real sector and consumers, at low-interest rates to stimulate the real sector. The Nigerian banking laws require a major overhaul. Many vital institutions ought to be in place, like the Credit Guarantee Agency, a capitalised development bank, and a prudential authority like in the UK. These institutions and legislation can inject over N10 trillion worth of credit into the economy.

Nigerian fintech startups raised almost $800 million in 2021. The industry is projected to generate $1 billion in investment and bring in crucial foreign currencies. For the government to benefit the institutional and regulatory frameworks need to be streamlined. The National Assembly should pass holistic, unified legislation for Fintech in Nigeria. The Nigeria Startup Bill, according to him, may be the silver bullet. The focus should be on creating a business-friendly environment for fintech providers to generate revenue.

Also, the opportunity in the national space investment would not escape Agbakoba's attention. In his words: "Space is the next investment arena. The global space industry has evolved over the years. The first space race was by states – a 20th-century competition between two Cold War adversaries, the Soviet Union (USSR) and the United States of America (USA), to achieve superior spaceflight capability. The second space race is more complex and multifaceted than the first. It is driven mostly by commercialisation and led by emerging economic powers like China, India, the United Arab Emirates, and risk-taking private citizens like Elon Musk, Jeff Bezos, Richard Branson alongside other entrepreneurs and investors.

The global entrants to this race are ushering in next-generation small satellite capabilities with enormous value to commercial and government customers, including organisations in the energy, mining, manufacturing, transportation, finance, agriculture, and communications; thousands of these satellites will be produced and launched in the next decade. The nations that win this race will gain the 21st-century military edge. Space infrastructure companies received a record $14.5 billion of private investment in 2021. If Nigeria's space policy and legislation are aligned to the second space race this sector can generate $ 1billion.

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All correspondence to Editor: **Enam Obiosio** (08058334933); D2-32 Atiku Abubakar Crescent, Cityview Estate, Dakwo, Abuja;
E-mail: info@fmfinsights.com; **Website:** www.fmfinsights.com
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