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IsDB 2022: 'Beyond Recovery: Resilience & Sustainability'

Nigeria Plans To Enhance Use Of Gas As A Transition Energy – Mrs. Ahmed

Suspends $950m Eurobond Borrowing Over Pricing

The Boards of Governors and the General Assemblies of Islamic Development Bank (IsDB) Group members hold its Annual Meetings to discuss development issues and institutional matters. During the annual meetings this year, the Honourable Minister of Finance, Budget and National Planning, ***Mrs. Zainab Shamsuna Ahmed****, was engagingly representative of Nigeria at various knowledge-sharing and flagship events featuring top-level panelists from governments, international and regional organisations, the private sector, academia, and civil society.*

Enam Obiosio *highlights the Knowledge-sharing events which provided a dynamic*

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L-R: **Mrs. Aisha Omar**, Director IER, **Dr. Mahmoud Isa Dutse**, Executive Director, IsDB, **Dr. Muhammad Sulaiman Al Jasser**, Chairman IsDB, **Mrs. Zainab Shamsuna Ahmed**, Minister of Finance, Budget & National Planning, and **Dr. Mansur Mukhtar**, IsDB Vice President for Country Programmes.

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ECONOMY
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COMPULSORY EMPLOYEES GROUP LIFE INSURANCE

(Under the Pension Reform Act 2014 as amended)

A.FOR WHOM

All public and private sector organizations as specified in the Pension Reform Act 2014

B.WHAT DOES THE POLICY COVER

Compulsory

a). Death - Compensation for the employees who may die while in service

b). Disappearance - Compensation in the event of disappearance of an employee.

Optional

c). Additional Compensation for Permanent Disability (physical through accident).

d). Compensation for Temporary Total Disability and Medical Expenses following accident.

e). Compensation for any self-employed person who is worried by the happenings under (a-d) above.

C. HOW MUCH COMPENSATION DO I GET

I). Payroll Employees

For Death - Three (3) times Total Annual Emolument (TAE)

For Disappearance -Three (3) times Total Emolument (TAE)

For Permanent Disability - Three (3) times Total Annual Emoluments (TAE)

For Temporary Disability a percentage of the TAE based on the Degree of Disability

ii). Non Pay-roll Employee

A selected Capital Sum, reasonable enough, in case of death, to take care of the employees family or the employee in case of disability.

D. WHO IS LIABLE

All employers of labour in the public and private sectors as specified in the Pension Reform Act 2014.

E. HOW MUCH DO I PAY AS PREMIUM

Kindly contact the nearest insurance brokers or a life underwriter

G. WHO PAYS THE PREMIUM

The Premium is to be borne 100% by the Employer.

H. PENALTY FOR NON-COMPLIANCE

N250,000 fine plus One (1) year imprisonment at the minimum for every director or officer of the defaulting body corporate.

Ensure Compliance To Avoid Prosecution

NATIONAL INSURANCE COMMISSION

www.naicom.gov.ng

...for a healthier Insurance Industry in Nigeria

Nigeria Plans To Enhance Use Of Gas As A Transition Energy –Mrs. Ahmed

Suspends $950m Eurobond Borrowing Over Pricing

CONTINUES FROM COVER

platform to discuss economic, financial, and development issues of current interest to member countries and their partners. The theme of this year's meeting was ***Beyond Recovery: Resilience and Sustainability.*** *The event also offered a platform for decision-makers to discuss challenges and explore opportunities in member countries.*

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** in an interview with **Hasser Hakim** of CGTN on the sidelines of the IsDB Annual Meetings at Sharm-el-Sheikh, Cairo Egypt.

Nigeria plans to enhance the use of gas as a transition energy, according to the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed.

Speaking at this year's Islamic Development Bank (IsDB) Annual Meetings in Sharm-el-Sheikh, Egypt, Mrs. Ahmed said: "Let me start by congratulating you on the successful hosting of the annual meetings; let me seize this opportunity to thank the bank for its continued support to the economic development of Nigeria; Nigeria wishes to express appreciation to the bank for approving most grant requests by Nigeria since the last annual meetings. However, in light of our current economic situation and security challenges more assistance is needed especially in the fragile states."

The Honourable Minister also stated: "Let me reiterate Nigeria's current drive towards diversification of its economy from oil to non-oil, especially in key sectors such as agriculture, health and education and most importantly infrastructure and seek the support of the bank in actualising the plan through the provision of more concessional financing.

Mrs. Ahmed thanked the IsDB for approving the Nigeria-Morocco Gas Pipeline Study which is central to Nigeria's intended usage of gas as a transitional energy and to assure the president that internal process will soon be finalised from Nigeria's side.

The Chairman of the IsDB had mentioned that he was happy with the progress made by Nigeria and appreciated the Honourable Minister and Nigeria for the continued collaboration with the bank towards achieving the success of its goals and objectives.

"In view of the challenges Nigeria is facing with the out of school children, which has contributed to the insecurity in the country, the bank is kindly requested to reconsider its decision and support the AT-Risk Children Project (ARC- P)," she further stated.

Speaking on the sidelines of the annual meetings with the Chairman of the bank, Dr. Muhammad Sulaiman Al Jasser, she also stated that Nigeria is optimistic about the usage of gas as a transition energy, despite recent challenges arising from insecurity and low crude oil production.

Considering the fact that Nigeria is a key Islamic finance market in Africa with very strong growth potential, and considering the building blocks required for Nigeria to access the international Sukuk market, Mrs. Ahmed noted: "As you may be aware, since 2017 when the debut N100 billion Sovereign Sukuk was issued, Nigeria has been issuing Sukuk on annual basis, except in 2019. The total outstanding issuance today is N612.557 billion.

According to her, there is a plan. "The plan is to significantly develop the domestic Sukuk market and build internal capacity before accessing the International Sukuk Market. We are currently engaging with the market stakeholders at various levels and reviewing the requirements for Sukuk issuance in the international capital market (ICM)," she said.

Sharing her experience of Nigeria as a frequent issuer in the international capital markets with some light on how she has engaged investors to gain confidence in the Nigerian economy, Mrs. Ahmed, who explained that the Nigerian economy is stable, noting that it has had six consecutive quarters of positive growth, also talked about some of the key impediments or challenges that Nigeria has experienced in the green/ funding market.

She said: "Specifically on funding, Nigeria's sources of funding and investor base are well diversified. We also issue a diverse range of products both in the domestic and international securities markets. The domestic securities market has been developed and is able to meet the funding needs of governments and the private sector. There is a sovereign yield curve of up to 30 years and the range of products targeted at different categories of investors are Federal Government of Nigeria (FGN) bonds, Nigerian treasury bills, Sukuk, FGN savings bonds, green bonds, and promissory notes.

According to her, Nigeria has been a frequent issuer of securities in ICM since its debut issuance in 2011 and has also established a sovereign yield curve of up to 30 years.

"We have a programme of engaging with local and foreign investors on a regular basis whether or not we are issuing securities. We hold regular deal/non-deal roadshows, attend investor conferences, and also meet with them during annual meetings of multilateral financial institutions.

> The plan is to significantly develop the domestic Sukuk market and build internal capacity before accessing the International Sukuk Market. We are currently engaging with the market stakeholders at various levels and reviewing the requirements for Sukuk issuance in the international capital market (ICM)

Nigeria, according to her, has demonstrated its commitment to green financing (being a signatory to the Paris Climate Agreement) through the issuance of green bonds in the domestic market in 2017 and 2018. "We have gained considerable experience and are currently working on having regular issuance of green bonds in the domestic market. The main challenge is finding the qualifying green projects in the budget, especially in terms of size that will be attractive to market-based funding like that of Sukuk.

On the role of green bonds and Sukuk in Nigeria's climate efforts and the key challenges in establishing green finance windows for project financing, developing sustainable financing framework, setting national standards and principles, and developing bankable projects etc., Mrs. Ahmed stated: "Based on the fact that green bonds and Sukuk financing are usually project-tied, it is much easier to use them as vehicles for climate-related financing. The two green bonds issued by Nigeria were used to finance climate impact projects and we hope to continue in that direction for subsequent issuances.

"Meanwhile, and as earlier stated, the challenge has been finding sizeable and bankable projects that will meet the required climate financing standards for which efforts are being made to address. However, the economy, according to her has diversified with non-oil revenue exceeding projections.

Mrs. Ahmed, who also participated in a panel discussion on 'Leveraging Sukuk Markets for transition to a Green Economy', explained that for the Sukuk bonds in particular, Nigeria has had four cycles of issuance with a minimum of 300 percent oversubscription. "Sukuk has been targeted at building major roads with $1.5billion.

She also was at the meeting of Governors, among others, where she reaffirmed the commitment of Nigeria to being open to foreign investments, trade and bilateral relations with an effort to growing a sustainable and diversified economy.

Meanwhile, the federal government has shelved plans to raise about $950million selling overseas bonds, owing to unfavourable market conditions during the time frame approved for the fundraising, the Honourable Minister said.

Recall that Mrs. Ahmed had said in April that the government planned to sell as early as May its second external debt this year to help plug fiscal deficits.

The planned $950million bond sale was to account for the balance of $6.1billion overseas borrowing planned for 2021, after it raised the second tranche of $1.25billion in March.

In an interview on the sidelines of the IsDB meetings in Egypt, Mrs. Ahmed said to Bloomberg: "We were not able to do that because the market pricing was not good and also the approval period for us has closed. The approval period was up to May 31, 2022, so we are not going to be able to take that one anymore."

Nigeria was one of the first sovereigns to tap the Eurobond market after the start in late February of Russia's war on Ukraine, which stoked commodity prices and inflation just as the US Federal Reserve raised interest rates.

The country's seven-year bond in March was priced to yield 8.375 percent, compared to a similar maturity raised about eight months ago with a coupon of 6.125 percent.

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, with **Mr. Nigel Topping**, The UN Climate Change High Level Champion, who was on a courtesy visit to the Minister.

Buhari Pushes For e-Government As Council For Implementation Comes On Board

By Felix Omoh-Asun

President Muhammadu Buhari pushed closer to the digitisation of the country's economy with the inauguration of the Presidential Council on Digital Economy and e-government.

He promised during the inauguration that his administration would continue to take advantage of digital technologies to transform every sector of the economy.

According to his Special Adviser on Media and Publicity, Mr. Femi Adesina, the President directed the Minister of Communications and Digital Economy, Prof Isa Ali Ibrahim (Pantami) to chair the Council on his behalf and give regular updates.

He tasked members of the council to work towards further strengthening the capacity of government to develop, adopt and deploy digital technologies to make government more efficient and transparent, thereby improving Nigeria's global standing in the ease of doing business index.

The President noted that the council, whose members have been arrived at after a painstaking and thorough process, would provide the oversight needed to bring about a veritable structure for accelerating achievements in digital economy and in the implementation of e-government in the country.

He enjoined every member of the council to consider the task as a national assignment and justify the trust reposed in their ability to support and significantly enhance the digital transformation of Nigeria.

''I launched the National Digital Economy Policy and Strategy (NDEPS) on the 28th of November, 2019 and expanded the mandate of the then Ministry of Communications to include digital economy.

President Muhammadu Buhari

"The implementation of that policy and mandate has enabled us to achieve significant progress and record a number of unprecedented achievements.

"The impact of the COVID-19 pandemic on the global economy showed that the steps we took in developing and implementing NDEPS were indeed timely.

"For example, the Information and Communications Technology sector was the fastest growing sector in both the fourth quarter of 2020 and the entire year 2020, based on the Report by the National Bureau of Statistics.

"The sector's 14.70% double-digit growth rate was instrumental in supporting our country to exit the recession triggered by the COVID-19 pandemic, far earlier than predicted by experts.

"The significant contribution of 17.92% by the ICT sector to our GDP in the second quarter of 2021 is another example of the important impact of the digital economy on the overall economy.

"In the same vein, the growth of our digital economy sector enabled us to cope with the effect of the lock-down as both activities of the government and private sector, as well as educational activities, were able to move to online platforms," he said.

Furthermore, President Buhari expressed delight that the approval of the National Policy on Virtual Engagements for Federal Public Institutions has helped to formalise government online meetings.

He noted that statutory meetings like the Federal Executive Council (FEC), Council of State, and other meetings can now effectively and legally take place online.

He added that Nigeria's progress in e-governance has been noted by the international community, eliciting recognition from international stakeholders including the appointment of the Minister of Communications and Digital Economy as the Chairman of the 2022 Forum of the highly regarded World Summit of the Information Society.

While congratulating the Minister, the President acknowledged that the Ministry has partnered with the Korea International Cooperation Agency to develop a National e-government Master Plan, approved by FEC in August 2019.

The President listed benefits from the partnership including; "the training of over 1,400 Nigerian public servants in both Nigeria and South Korea on e-governance; the launching of an E-Government Training Centre handed over to the Federal Government in November 2019 and the signing off of Phase II of the e-government Project – "Project for Building Foundations Towards Digital Governance in Nigeria (2020-2026)."

In his remarks, Prof. Pantami noted that NDEPS launched in 2019, made provision for the establishment of the Presidential Council to coordinate the development of an indigenous digital economy.

Describing the implementation of NDEPS for a digital Nigeria as very successful, the Minister said in the last two years, the sector has provided ICT intervention to no fewer than 1,667 institutions at the Federal and sub-national levels.

He added that the recent auctioning of spectrums by the ministry generated over 400 per cent revenue to the federal government coffers while two virtual institutions established by government have trained some 500,000 Nigerian on digital and emerging technologies.

The 27-man committee chaired by Pantami on behalf of the President has the following members: Boss Mustapha, Secretary to the Government of the Federation; Muhammad Inuwa Yahaya, Governor of Gombe State; Nasir Ahmed El-Rufai, Governor of Kaduna State; Abdullahi Sule, Governor of Nasarawa State; Godwin Obaseki, Governor of Edo State, Babajide Sanwo-Olu, Governor of Lagos State and Senator Hope Uzodinma, Governor of Imo State.

Others are Dr Zainab Shamsuna Ahmed, Minister of Finance, Budget and National Planning; Otunba Richard Adeniyi Adebayo, Minister of Industry, Trade and Investment; Dr. Folasade Yemi-Esan, Head of Civil Service of the Federation; Prof. Umar G. Danbatta, Executive Vice Chairman/CEO Nigerian Communications Commission; Prof. M.B Abubakar, Managing Director/CEO, Galaxy Backbone Limited; Dr. Abimbola Alale, Managing Director/CEO, Nigerian Communications Satellite Limited and Engr Aliyu A. Aziz, Director General/CEO, National Identity Management Commission.

Also in the committee are Mr. Oswald Osaretin Guobadia, Senior Special Assistant, (Digital Transformation) to the President; Engr Olufemi Olufeko, Director, e-Government Dept, Federal Ministry Of Communications and Digital Economy; A.B. Okauru, Director General, Nigeria Governors Forum; Prof. Simon Adesina Sodiya, President Nigeria Computer Society and Gbenga Adebayo, Chairman, Association of Licensed Telecommunications Operators of Nigeria (ALTON).

Other members are Prof. Kabiru Bala, Representative of Academia and Vice Chancellor, Ahmadu Bello University, Zaira; Prof. Nnenna Oti, Representative of the Academia and Vice Chancellor, Federal University of Technology, Owerri and Kashifu Inuwa Abdullahi, Secretary and the Director General/CEO, National Information Technology Development Agency.

Mr. Sungil Son, Country Director (KOICA), Dr Olufemi Adeluyi, Technical Assistant (Research & Development) to Hon. Minister of Communication & Digital Economy and Abubakar A. Dahiru, Special Assistant (Cyber Security & Digital Identity) to the Minister are also members of the Committee.

CBN Scores Big With Introduction Of USSD Code To Improve e-Naira

● Increases Minimum Bid For Non-Interest Asset-Backed Securities

By Felix Omoh-Asun & Musa Ibrahim

The Central Bank of Nigeria (CBN) is interestingly churning out innovations which could as well pass as game changer for the country's financial sector.

Its recent introduction of the Unstructured Supplementary (USSD) code would go a long way to improve the Central Bank Digital Currency (CBDC).

In no distance past, the CBN inaugurated the CBDC also known as the e-Naira, on Oct. 25, 2021, which was aimed at making financial transactions easier and seamless for every stratum of the society.

Meanwhile, making known the introduction of USSD at the IMF African Department Speakers Series held virtually last week, the deputy governor of the CBN, Mr. Kingsley Obiora, said that the introduction of the USSD code became necessary to improve financial inclusion in the country and to ensure people without smartphones could still transact on the e-Naira platform.

Obiora said that the series was focused on "CBDC and Private Digital Payments in Kenya and Nigeria: Challenges and Opportunities for Sub-Saharan Africa."

Obiora listed the benefits of the USSD to include rapid financial inclusion, reducing the cost of processing cash, enabling direct welfare payments to citizens, and reducing the informal economy.

Others are improving tax collection, boosting cross-border trade and remittances, reducing the cost and improving the efficiency of payments and just endearing economic growth in general.

He, however, listed some of the key risks to introducing the CBDC to include banking sector disintermediation, operational risks of knowing that there is non-stop service, cyber security risks, internet disruptions and financial literacy.

Obiora said that Nigeria was doing well based on a PwC report, which showed that Nigeria was number one in terms of adoption, adding that the CBN would keep growing and improving on the system.

"We have made serious progress in the last seven to eight years because when the current governor resumed in 2014, one of the pillars of his vision was to significantly improve financial inclusion.

Deputy Governor of the CBN, **Mr. Kingsley Obiora**

"So, at the time, we were at 48 percent of our population within the financial system and given several policies that he conceived and implemented, we are almost at 70 percent.

"That still leaves us with about 30 percent of our population out of the financial system and we believe the CBDC can help reduce that number even more. A lot of people might not have smartphones but that is essentially the next step of our improvement in the CBDC, to introduce the USSD code, so those that do not have smartphones can still transact," Obiora said.

The CBN deputy governor said that the barrier to entry on the CBDC platform was low, which made it possible for everyone with a Bank Verification Number (BVN) to be onboarded into the e-Naira platform in a few minutes.

Obiora said that the value of the country's digital payments grew from 324 billion dollars in 2008 to about 2.4 trillion dollars presently, adding that Nigerians were now used to digital payments.

"As you know, within the continent we have one of the largest Fintech companies, Futterwave, Paystack, etc," the apex bank boss added.

He said that the CBDC had significant benefits for Nigeria, which was why the CBN decided to introduce it.

Speaking on adopting cryptocurrency in Nigeria, the deputy governor said that for now, it would not become part of the country's financial system, because of the volatility that it could create for the system.

Commenting on the high cost of food and fuel in Nigeria caused by the war in Ukraine, he said that the problem was more political than economic.

According to him, "we hope that world leaders will sort this out as quickly as possible because ordinary people who have no egos and did not cause this problem are the ones that are suffering the most.

"Within Nigeria, what we are seeing is that farm gate food prices have either stabilised or reduced, whereas in the market, it actually has increased."

Obiora said that a lot of the problems with rising food inflation were due to logistic problems and the issue of higher prices of fuel and transportation.

"We are trying to deal with that by investing a bit in a commodity exchange so that they can stabilise prices.

He said: "within the monetary policy committee, rates will be raised at least to signal that we will continue to keep an eye on inflation and stand ready to do whatever it takes to turn it around."

According to the moderator, Mr Abebe Selassie, Director, African Department, IMF, the series is a platform where Africa's pressing economic policy issues are discussed and organised by the IMF's African Department.

Selassie said the series provided an opportunity for policymakers, academics, and analysts to offer their perspectives on economic and policy issues relevant to the IMF'S African constituency.

In the main time CBN has increased the minimum bid for non-interest asset-backed securities to N100,000,000 from N1,000,000 seen in the exposure draft it issued in 2020.

This was revealed in a circular titled 'Framework for The Operationalisation of The Central Bank of Nigeria Non-Interest Asset Backed Securities' signed by Angela Sere-Ejembi, Director, Financial Markets Department of the CBN. The circular was issued in June 2022.

The CBN non-interest asset-backed securities (CNI-ABS) was created to deepen Nigerian financial markets, enhance financial inclusion, and provide a liquidity management instrument that adheres to Nigeria's non-interest finance principles.

According to CBN, "Further to the Guidelines for the Operation of Non-Interest Financial Institutions' Instruments by the CBN, released in December 2012 the Central Bank of Nigeria (or the Bank) notes the positive developments in the financial markets environment and the need to strengthen the policy arena."

"Consequently, the Bank hereby releases the Framework for the Operationalisation of the Central Bank of Nigeria Non-Interest Asset Backed Securities. Thus, non-interest banks and other authorised dealers in the non-interest banking window at the CB are required to note for guidance accordingly."

The CBN also increased the minimum bid for non-interest asset-backed securities. "Bids shall be sent in the bidder's name via appropriate media as announced in the auction notice.

The minimum bid amount shall be N100,000,000 and integral multiples of N1,000,000 in excess thereof, subject to periodic review by the bank from time to time," the CBN said.

The amount at each auction is to be set by the outstanding securitised amounts in the issue account, or by the CBN. However, only licensed non-interest banks, deposit money banks with a non-interest banking window, and any other licensed financial institution are eligible to participate in the auction.

The CBN has stated that investors in its non-interest asset backed securities would be charged Agency (Wakala) fees.

The apex agency (Wakala) fees are as follows: an underlying return for 1 to 30 days investment (10 percent); 31 to 90 days (7.5 percent); 91 to 180 days (five percent); and 181 to 365 day (2.5 percent).

Economic Growth To Decline 3.7% In Sub -Saharan Africa In 2022, Says World Bank

By Felix Omoh-Asun

The World Bank has said that the economic growth in sub-saharan Africa (SSA) is expected to decline to 3.7 percent in 2022 as against 4.2 percent recorded in 2021.

This is according to the World Bank's latest Global Economic Prospect Regional Outlook on Sub-Saharan Africa Report released recently.

According to the report, following a rebound of 4.2 percent in 2021, growth in SSA has weakened this year as domestic price pressures partly induced by supply disruptions owing to the war in Ukraine.

"This has led to a reduction in food affordability and real incomes, especially in low-income countries (LICs)."

The report showed that growth in the three largest SSA economies, Angola, Nigeria, and South Africa, was an estimated 3.8 percent in 2021 supported by the 4.9 percent rebound in South Africa.

"Growth momentum carried on in Angola and Nigeria, where high oil prices, the stabilisation of oil production, and recovery in non-resource sectors supported activity in the first half of this year.

"Nevertheless, persistently high domestic inflation, power cuts, and shortages of food and fuel have been weighing on recoveries."

The report said that in some countries, debt distress, policy uncertainty, social unrest, and violence still hampered recoveries, especially in fragile and conflict-affected LICs.

The report said that surging food and fuel import bills could also reverse recent progress in poverty alleviation across the region.

According go the report, especially in countries where vulnerable populations are large, such as Nigeria and dependence on imported food was high.

The report said the risks to the outlook in the region were mostly to the downside.

It said a prolonged disruption to global trade in cereals and fertilizer due to the war in Ukraine would significantly worsen affordability and availability of staple foods across the region.

"In addition, insecurity and violence pose a threat to the outlook, especially in LICs, while rapid increases in living costs risk escalating social unrest.

"A faster-than-expected slowdown of the global economy, which could be triggered by the accelerated policy tightening in advanced economies and the global resurgence of the COVID-19, would hurt many SSA commodity exporters.

"Finally, persistent domestic inflation could speed up monetary policy tightening, escalating stagflation risks across the region."

Fuel Subsidy Unsustainable -Finance Minister, Soludo

By Ahmed Ahmed

Removal of petroleum subsidy re-echoed last week in Abuja as the Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, Anambra State Governor, Prof. Chukwuma Charles Soludo, among others, called for its immediate scrapping.

Mrs. Ahmed said that the retention was hurting the economy and impeding investments in human capital development.

The subsidy on premium motor spirit (PMS), popularly called petrol, between January and March 2022 rose to N675.93billion, data from the Nigerian National Petroleum Company (NNPC) Limited showed in April this year.

Also, the NNPC had informed the Federation Account Allocation Committee (FAAC) that it would deduct or recover N671.88billion from April 2022 proceeds due for sharing at the May 2022 FAAC meeting.

It described the N671.88billion as a value shortfall incurred by the NNPC, as the oil firm has remained the sole importer of petrol into Nigeria and has been subsidising the commodity using billions of naira monthly.

The figures showed that the oil firm spent N210.38billion, N219.78billion and N245.77billion as subsidy on petrol in January, February and March 2022 respectively.

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

This implies that within the three-month period the oil company had spent N675.93billion on PMS subsidy. NNPC, however, described its subsidy spending as an under-recovery of PMS/value shortfall.

Meanwhile, in its presentation to FAAC during the committee's April 26, 2022 meeting, NNPC told the committee members that it would deduct over N671billion at their next meeting in May.

It said: "The estimated value shortfall of N671,882,996,685.81 (consisting of N519billion for estimated April 2022 recovery plus N152billion of March 2022) is to be recovered from April 2022 proceeds due for sharing at the May 2022 FAAC meeting."

The oil firm further told FAAC that the overall NNPC crude oil lifting of 9.77 million barrels (export and domestic crude) in February 2022 recorded 1.71 percent decrease relative to the 9.94 million barrels lifted in January 2022.

Flowing from the above, the Honourable Minister, who spoke in Abuja at the launch of the Nigeria Development Update (NDU) 2022 report by the World Bank, said that if subsidy was not in the budget, there would be the need to borrow more money to finance the subsidy regime.

The Honourable Minister also said that N4.5 trillion spent on subsidies would have been invested in health and education.

"We are investing it in consumption, which is very wasteful. How many Nigerians own vehicles and generators that are benefiting from this subsidy?", she quipped.

Mrs. Ahmed recalled that subsidy removal was to take effect from June 2022, but was moved by additional 12 months to 18 months.

In his remarks, Anambra State Governor Soludo stated that the scrap was long overdue.

The former Central Bank of Nigeria (CBN) Governor said that if N3trillion is saved, each state of the federation could be given about N50 billion to fix roads.

"The federal government will still have some N1 trillion to use. If the country continues with the subsidy, the CBN will continue to need money."

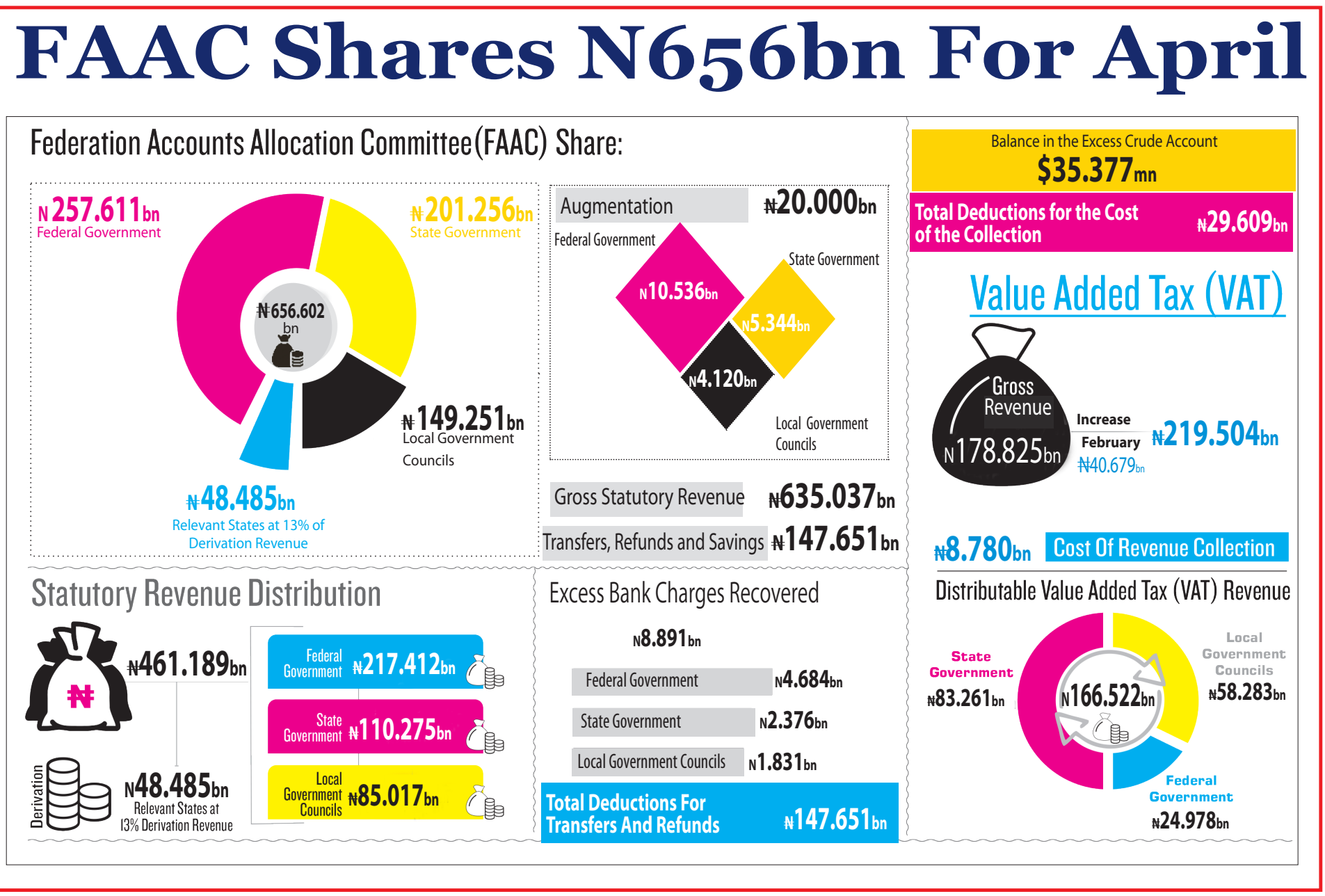
Prof. Soludo added that the said subsidy could be brought down to the state level so that each governor decides the best way to go about it.

Mr. Atedo Peterside, founder of Stanbic IBTC Bank, suggested an alliance by major presidential candidates.

Peterside urged them to work out an emergency deal concerning subsidies and save whoever wins from inheriting more issues. The businessman said that the time of a change of government is the best to work out a solution.

"Let us not just surrender and say we cannot do anything about fuel subsidy. The World Bank has done its bit; what needs to be done is for Nigerians to make one last push", he stressed.

FAAC Shares N656bn For April



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
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EDITORIAL

FG Should Implement Reforms To Reduce Fiscal Burden Of Subsidies

Nigeria is not deriving the benefits it should from the current high crude prices rather, rising crude prices is posing significant fiscal challenges to the economy and may lead to negative receipts very soon if drastic steps are not taken.

This was the position of the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, at the recent launch of Nigeria Development Update by the World Bank.

According to her, three factors are preventing the country from fully benefitting from the current boom in international oil prices.

Nigerians, therefore, should look into the fact that oil production has fallen below Nigeria's estimated capacity and the Organisation of the Petroleum Exporting Countries (OPEC) quota because of insecurity, vandalisation and crude theft in the Niger Delta. We should also consider the fact that the domestic price of premium motor spirit (PMS) has remained fixed while global PMS prices have continued to rise. Nigerians should note that rising international crude price increases the burden of PMS subsidy that the federal government bears.

Apart from Mrs. Ahmed's, it is also our opinion that by maintaining an unsustainable price control of PMS, we as a country are forgoing investments in essential infrastructure, goods and services that could increase the overall productivity of the economy.

The government should, therefore, implement all necessary reforms that would, among others, reduce the fiscal burden of energy subsidies, enhance internal control and promote greater efficiency in oil and gas operations, a move towards market-based pricing of all petroleum products as stipulated in the Petroleum Industry Act (PIA) 2021, and the eventual elimination of PMS subsidies.

We are asking the government to implement measures to better monitor and improve the overall governance, operational efficiency and transparency of the entire oil and gas value chain.

In view of the severity of the country's revenue challenge, the finance minister has always noted that Nigeria's greatest fiscal challenge has been revenue more than debt. She said, for example, that federal government's revenue to gross domestic product (GDP) is one of the lowest in the world; in fact, it is the lowest of the 115 largest economies.

It is obvious that the fiscal deficit of the federal government has been on the increase since 2015 precipitated first by the economic recession from the fall in global oil prices; followed later by the combined effects of the COVID-19 pandemic, the resulting oil glut, and the large fiscal burden of the PMS subsidy.

Despite our recent economic recoveries and higher oil prices, our fiscal deficit remains very high due largely to the surge in PMS subsidies. As a result, debt pressures have continued to increase. We also note that while the debt to GDP ratio is still relatively low by international standards, the burden of debt servicing has risen rapidly from 68 percent of revenues in 2017 to 76 percent as of November 2021. We applaud the government that it is responding to these evolving fiscal pressures, by taking urgent steps to accelerate domestic revenue mobilisation initiative.

We are aware that government has made significant progress following the launch of the strategic revenue growth initiative (SRGI). The initiative of accelerating revenue mobilisation reforms (ARMOR) is upscaling the achievements of the SRGI in concretely addressing the perennial domestic revenue mobilisation (DRM) challenges and draw selectively from measures planned under the initiative, with a focus on accelerating targeted revenue mobilisation strategies in the near term.

The government should ensure that the programme be implemented across federal government revenue agencies as a Program-for-Results (P4R) initiative where disbursements are linked to the attainment of a set of agreed additional revenues enabling reforms indicators.

We note that the programme specifies disbursement-linked indicators (DLIs) and disbursement-linked results (DLRs) that are required to be met by participating agencies to enhance revenues and strengthen fiscal management.

Nigerians should understand that the ARMOR programme is expected to increase non-oil revenues by N3.8 trillion within three years based on proposed reforms between 2022-2024. And that the reforms currently being proposed focus on strengthening the transparency of oil revenue flows and are expected to increase revenue flows from oil ministry, departments and agencies (MDAs) by about N160 billion annually. This is estimated to increase to about N3.5 trillion when PMS subsidy is phased out. All these would be in addition to other revenue enhancing and leakage blocking initiatives being pursued by the government.

73% of Pension Contributors Below 40yrs, Says PenCom

● As Commission Mandates RSA Holders to Carry Out Data Recapture

By Musa Ibrahim

The National Pension Commission (PenCom) says most contributors under the Contributory Pension Scheme (CPS) are below 40 years.

The commission said that the figure represents 73 percent of the total contributors to the scheme.

PenCom said this in its 2021 fourth-quarter report tagged Age and Gender Distribution.

According to the report, the number of male contributors surpassed females in the Retirement Savings Account (RSA) holders' list.

"Analysis of new registrations on the CPS for the quarter showed that 73 percent were below the age of 40 years," the report states.

"This points to the increasing sustainability of the CPS, as the younger generation are actively being enlisted into the scheme.

"Regarding gender distribution, 65 percent of those that registered during the quarter were male, while 35 percent were female."

The report further added that over N6 billion was paid to retirees below 50 years under the retirement service account (RSA).

It said that the retirement benefit paid was higher compared to the fourth quarter of 2021.

"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," the report added.

"A total of N76.67 billion was paid as retirement benefits in Q4 2021. This was lower than the retirement benefits of N100.91 billion paid in Q3 2021 by N24.24 billion."

PenCom has asked retirement savings account (RSA) holders to visit any branch of their pension fund administrators (PFAs) to participate in the ongoing data recapture exercise (DRE).

It said that the exercise was for both active contributors and retirees whose data have not been recaptured.

"The DRE is in compliance with the directive of the federal government that all data generating organisations should harmonise their databases with the National Identity Management Commission (NIMC)," the statement reads.

It is also consistent with the need to have a credible database of all RSA holders in Nigeria."

PenCom urged all active contributors to visit their PFAs and provide the following documents to complete the data recapture: staff identity card or any one of the following: national driver's license; or permanent voter's card (PVC); or international passport (mandatory for non-Nigerians); enrolment slip issued by NIMC; birth certificate or sworn affidavit of age declaration.

Retirees, who are either on programmed withdrawal or annuity, are expected to present their national driver's license or any one of the following: Permanent Voters' Card (PVC); or international passport (mandatory for non-Nigerians) of enrolment slip issued by National Identity Management Commission (NIMC) or a letter of retirement issued by the employer to the retiree.

The commission further directed all RSA holders, who have had a name change (either their surnames or first names or both after registration), to present the following documents to their PFAs: marriage certificate (only applicable in the case of marriage), newspaper publication for change of name, sworn affidavit, confirmation letter for change of name from employer (if still in employment).

"All PFAs have been directed by PenCom to issue acknowledgement slips to RSA holders who submit complete documents for their data recapture," PenCom said.

"The RSA holders will be notified of the status of their data recapture (successful or not successful) within five working days of submission of documents."

The commission added that two agents, Payone Solution Systems Limited and Afritech Multi-Concept Limited, have been engaged by PFAs to carry out the DRE.

According to the commission, the agents are authorised to establish data recapture centres.

It also said that RSA holders are allowed to have their data recaptured at such centres by the agents (if they are unable to visit the offices of their PFAs).

NEWS IN PICTURE

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed** (4th from left), with others at Sharm-el-Sheikh Egypt for the 2022 Annual Meetings and the Boards of Governors and General gathering of the Islamic Development Bank (IsDB).

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** with Turkish Minister of Treasure and Finance, **Nureddin Nebati,** in Sharm-el-Sheikh, Egypt at the 2022 Annual Meetings and the Boards of Governors and General gathering of the Islamic Development Bank (IsDB).

NEWS IN PICTURE

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** exchanging pleasantries with Egyptian Minister of Finance, Mohamed Maait, in Sharm-el-Sheikh, Egypt at the 2022 Annual Meetings and the Boards of Governors and General gathering of the Islamic Development Bank (IsDB).

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** in a chat with **Alhaji Umar Mutallab,** Chairman of Jaiz Bank, in Sharm-el-Sheikh, Egypt at the 2022 Annual Meetings and the Boards of Governors and General gathering of the Islamic Development Bank (IsDB).

Pictures by Aisha Augie-Kuta

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, in a meeting with the British Delegation on Climate Change at her office recently. On the left is **Mr. Nigel Topping**, The UN Climate Change High Level Champion.

Why Banks Are Immuned To Financial Shocks - NDIC

By Chiamaka G. Okpala

Nigeria Deposit Insurance Corporation (NDIC) has stated that the banking sector is now immunised to withstand shocks that may impact the economy and the financial system.

Mr. Bello Hassan, Managing Director (MD) and Chief Executive of NDIC, stated this not long ago at a retreat for members of the Senate Committee on Banking, Insurance and other Financial Institutions with the NDIC, at Eko Hotels in Lagos.

Any change in fundamental macroeconomic variables or relationships that has a significant impact on macroeconomic outcomes and measures of economic performance, such as unemployment, consumption, and inflation, is referred to as an economic shock, according to him.

Again, according to Mr. Hassan, who was represented by Mustapha Ibrahim, NDIC's Executive Director (Operations), effective risk-based management remained critical to a safe and sound financial system.

"The NDIC and Central Bank of Nigeria (CBN) have a very robust supervisory framework under the risk-based supervisory format. The risk-based approach is actually proactive. For the most part, we try to anticipate all these risks – macro, micro, domestically and globally – to address them continuously.

Mr. Bello Hassan, Managing Director (MD) and Chief Executive of NDIC

"So, it is so dynamic that we also are constantly, on a real-time basis, monitoring the industry continuously and fine-tuning our supervisory tools, both onsite and offsite, to mitigate some of the challenges the banks may be facing," said Hassan.

He went on to say that he was relieved that the Nigerian banking industry was currently resilient to most of these difficulties, particularly external shocks over which the corporation had no control.

"We have tried to immunise the system to withstand shocks that may be impacting on the economy and the financial system," Mr. Hassan said.

Senator Uba Sani, Chairman of the Senate Committee on Baking, Insurance, and Other Financial Institutions, said that the retreat demonstrated progress in creating lasting and workable relationships in the national interest.

He said: "The National Assembly and the NDIC are key institutions critical to the growth and development of the Nigerian economy. While we provide the legal and institutional frameworks, NDIC carries out its regulatory or supervisory responsibilities in order to safeguard the banking sector."

He also said: "Engagement of this nature gives us the platform to deeply look into our activities and responsibilities and also examine how far we have gone in carrying out our mandate as required. It helps in injecting fresh ideas into our operations which will materialise in an improved, effective and efficient service delivery to Nigerians".

Sani believes that the outcome will aid the strengthening of the financial and banking sectors, particularly the corporation's supervisory and regulatory role.

Background

The NDIC has said that its deposit insurance scheme (DIS) does not cover insider deposits made by bank directors and employees.

It stated that over 97 percent of depositors at deposit money banks (DMBs) in the country would be completely protected by the N500,000 maximum insured limit (MIL).

The total number of accounts in DMBs in 2016, 2017, 2018, and 2019 was 83.0 million, 99.1 million, 112.0 million, and 128.4 million, respectively, with the NDIC's N500,000 MIL fully covering 99.4 percent, 97.6 percent, 97.5 percent, and 97.6 percent of accounts, respectively.

As of June 30, 2021, the NDIC had paid a total of N101.67 billion in uninsured sums to depositors of failed banks.

In another development, NDIC has created a single customer view (SCV) platform that will be deployed to microfinance banks to avoid delays in depositor reimbursement in the event of a bank failure.

NDIC explained that the SCV platform was implemented to reinforce the corporation's processes in the event that the CBN revoked a failed MFB's license (CBN).

The platform, Mr. Hassan said, would ensure that MFBs send quality, timely, and comprehensive depositor data to the NDIC.

The platform, he claims, would also provide a complete picture of depositors' data at any given time.

According to Mr. Hassan, this would go a long way toward ensuring rapid payment in the event of a bank failure. He did say, though, that the corporation will share the platform's template with the association in order to get further feedback on how to improve the invention.

Mr. Hassan charged National Association of Micro Finance Banks (NAMFB) to promote the adoption of sound risk management practices, stressing that it was key to the maintenance of safe and sound MFBs sub-sector.

How NEXIM Bank Is Boosting Non-oil Export Through Carefully Planned Policies

The NEXIM Bank under the leadership of its current Managing Director (MD) and Chief Executive Officer (CEO), ***Mr. Abba Bello****, has overtime proved to all players in the non-oil sector that it is committed in driving growth through funding the non-oil exports. No wonder President Muhammadu Buhari reappointed the bank's MD to continue with his legacy policies.* ***Musa Ibrahim*** *writes.*

Mr. Abba Bello, Managing Director (MD) and Chief Executive Officer (CEO)

Analysts have argued that there is no better time for Nigeria to diversify its economy than now, owing to the current events in Russia and Ukraine. As such, the next point of call is the non-oil export sector which has the potential to solve much of Nigeria's unemployment challenges by providing millions of direct and indirect job opportunities.

According to the National Bureau of Statistics (NBS), the annual contribution of the non-oil sector increased to 92.76 percent in 2021 from 91.84 percent in 2020.

Nonetheless, the country's export is still oil-dependent as crude oil exports amounted to N4.26 trillion and accounted for 74.04 percent of total exports, according to Q4 2021 trade statistics.

The non-crude oil contributed N1.49 trillion or 25.96 percent to total exports of which non-oil products amounted to N810.88 billion representing 14.06 percent of total exports during the quarter

It is, therefore, pertinent to improve non-oil export facilitation institutions to live up to their mandate of providing short-medium- and long-term financing to the private sector will not only boost the government's revenue receipts thereby enhancing its fiscal profile amidst the current revenue challenges but also benefit the economy in several ways.

Shortfalls of the sector

The lack of investments in the non oil sector has been the bane of the sector. Unlike the oil and gas sector which has international oil companies (IOCs) investing in them, the non oil sector has not received the much-needed attention, in terms of investments, which is why it has been advocated that to enhance trade and boost gross domestic product (GDP), investment in non-oil export activities must be taken seriously.

NEXIM Bank's commitment

It was in the Nigerian government's commitment to address the funding inadequacies in the non-oil export space that the NEXIM Bank was established by Act 38 of 1991 as an Export Credit Agency (ECA) with a share capital of N50 billion held equally by the Federal Ministry of Finance Incorporated and the Central Bank of Nigeria (CBN).

The bank is saddled with the responsibility of providing export credit guarantee and export credit insurance facilities to its clients; provision of credit in local currency to its clients in support of exports; establishing and managing funds connected with exports; maintaining a foreign exchange revolving fund for lending to exporters who need to import foreign inputs to facilitate export production; and provision of domestic credit insurance where such a facility is likely to assist exports.

The bank also provides short and medium-term loans to Nigerian exporters including short-term guarantees for loans granted by Nigerian banks to exporters as well as credit insurance against political and commercial risks in the event of non-payment by foreign buyers among others.

Since assumption of office by the MD/Chief Executive of the bank, Mr. Bello, on May 2, 2017, the new management had developed a new Strategic Plan (2018 – 2022) that was articulated toward improving operational performance, achieving the bank's mandate and contributing to meeting the objectives of the federal government under the Economic Recovery and Growth Plan (ERGP).

Currently, in its fifth year of operations, the plan has contributed to the significant turnaround of the operational performance of the bank while efforts to clean up the balance sheet as well as improvement in risk management practices had ensured that new loans granted from 2018 are performing 100 percent, which is a major departure from the huge non-performing loans in the past.

Mr. Bello has said that the introduction of aggressive debt recovery and proactive loan measures had increased recoveries from N200 million in December 2016 to N10.2 billion and $3.25 million between January 2017 and February 2022, adding that the loan recovery drive had led to the seizure of assets worth about N7 billion which are currently on the sale block.

He told a news media: "Unlike the trend in the past, the bank has also engaged significantly with stakeholders, with improved relationship, manifesting in collaborative efforts towards policy intervention and increased focus on the non-oil export sector. Enhanced operating model through restructuring of regional offices for the bank to maintain a presence in each geo-political zone of the country for better market penetration and nationwide coverage."

Intervention

The bank's Export Development Fund (EDF) had led to the processing of 442 applications worth N461 billion and $43.69 million, out of which N214.65 billion had been approved while N153.03 billion had been disbursed to 101 beneficiaries, as well as approvals totaling N55.85 billion which were undergoing the pre-disbursement process.

Mr. Bello said that so far $492.97 million and €1.17 million, translating into N196.32 billion, have been received as export proceeds from projects with their income repatriated, while others are yet to complete the transaction circle, adding that many of the institutions supported by the bank now feature on the list of top 100 exporters published annually by the CBN.

According to him, over the last three years, the bank had operated under the philosophy of Produce, Add Value, and Export (PAVE) to change the current narrative of the dominance of primary products in its export basket.

Moreover, in supporting start-up projects, a lot of emphases had further been placed on providing working capital to resuscitate many industrial projects, which have hitherto become moribund or operated below capacity towards boosting value-added exports and enhancing jobs creations.

Performance

Mr. Bello said that the bank grew its balance sheet from N67.73 billion in April 2017 to N202.03 billion as of February 2022, adding that with continued positive performance, increased strategic partnerships for lines of credit and the push for recapitalisation of the bank, the target is to achieve a significant increase in balance sheet size in line with growing export opportunities, particularly given the African Continental Free Trade Agreement (AfCFTA).

The bank further recorded a profit of N1.09 billion in 2018, N2.13 billion in 2019, N1.28 billion in 2020, and N4.10 billion in 2021, after a loss of N567million in 2017 and a bigger loss of N8.03 billion in 2016.

This also suggests that if properly funded, the development finance institution could boost revenues for the government with its attendant impact on the economy.

Mr. Bello explained that the profit decline in 2020 was due to the impact of the COVID-19 pandemic on businesses, which necessitated the interest rebate and moratorium extension granted by the bank to its customers.

According to him, the bank is also collaborating with the CBN to manage the N500 billion non-oil export stimulation facility, which has been introduced to provide long-term funds to export-oriented projects toward increasing value-added exports.

In this regard, under the Pandemic Trade Impact Mitigation Facility (PATIMFA) program, NEXIM Bank secured $25 million from the AFRIEXIM Bank to alleviate the economic and business impact of the COVID-19 pandemic on Nigerian businesses.

He said: "The facility is available for continuous funding of exporters, particularly SMEs, many of whom were adversely impacted by the disruptions of the global value chain and other fallouts of the COVID-19 pandemic.

According to him, "The bank's objective is to enhance its intervention in the different geo-political zones of the country. As part of its strategy to increase intervention in Small and Medium Enterprises (SMEs), the bank is also working with various state governments and has signed Memoranda of Understanding (MoU) with about 10 States under the State Export Development Programme.

"This scheme is expected to facilitate industrialisation and economic development at regional level under the One State One Product programme, whereby each state of the federation is expected to identify and develop at least one commodity for export as part of the federal government's Zero Oil Plan."

The bank has vowed to continue taking measures to increase its funding capacity towards boosting lending support thereby increasing foreign exchange earnings for the country and facilitating employment generation.

The Honourable Minister of Finance, Budget and National Planning **Mrs. Zainab Ahmed** (m), with Vice President, **Prof. Yemi Osinbajo,** and other members of the Council of Ministers of the Pan African Great Green Wall Member States during the launch of the National Tree Planting Campaign at the State House, Abuja.

Mobile Transactions Grow To N4.86trn In Four Months As Users Surge, Says NIBSS

By Kirk Obed

The Nigeria Interbank Settlement System (NIBSS) has said that the use of mobile channels for payment transactions has risen by 3,454.46 percent from N136.85billion within the first four months of 2019 to N4.86trillion in the corresponding period of 2022.

According to data from the NIBSS, the growth follows a 13.98 percent increase in the number of telecommunication subscribers in the nation from 176.62 million in April 2019 to 201.31 million in the corresponding month of 2022.

The surge in the numbers of electronic transactions have also risen to all time high.

Data from the mobile inter-scheme portal showed a significant increase in the value of mobile transactions started during the pandemic, which is consistent with its, 'Instant Payments – 2020 Annual Statistics' report.

The report revealed that the COVID-19 pandemic had changed the e-payments landscape and accelerated the adoption of instant payments

It had added that mobile devices drove payment in 2020, accounting for 43 per cent of total transactions in 2020, with 35 percent of transactions carried out via USSD, and 78 percent of total transfer transactions.

According to the NIBSS, mobile transactions increased from N136.85billion in 2019 to N623.47billion in 2020, N1.78trillion in 2021, and N4.86trillion in 2022.

Within the time under review, the mobile inter-scheme transaction portal showed that usage increased by 3,406.95 percent from 4.36 million times to 152.99 million times.

The National President, Association of Mobile Money Agents in Nigeria, Victor Olojo, had disclosed that mobile usage was driving the increase in e-payment.

NIBSS had earlier reported that cashless transactions rose by 44 percent year-on-year to hit N117.33trillion in the first four months of 2022

From January 2022 to April 2022, N117.33trillion was processed through electronic channels, which is N35.79trillion more than N81.54trillion that was processed in the corresponding period of 2021.

Cashless transactions are monitored on the NIBSS through the Nigeria Instant Payment System and Point of Sales terminals.

In January 2022, N27.22trillion was processed electronically in the nation, this increased to N27.76trillion in February, N32.52trillion in March, and N29.84trillion in April 2022.

In January 2021, N18.99trillion was processed electronically, N18.79trillion was processed in February, N22.55trillion was processed in March, and N21.19trillion was processed in April.

Electronic channels were used 1.88 trillion times in the first four months of 2022, a 44.26 per cent increase from the 1.3 trillion times they were used in the corresponding period of 2021.

This sustains the growth that was witnessed in electronic payment after the onset of the COVID-19 pandemic.

The NIBSS in a report titled 'Instant Payments – 2020 Annual Statistics', said COVID had changed the e-payments landscape, and hastened the adoption of instant payments as people switch to electronic channels for funds exchange.

In the preface of a document titled 'Why The Central Bank of Nigeria (CBN) made the Cash-less Policy,' the CBN said that Nigeria disclosed at the time that there was a need to help Nigerians migrate from a cash-based economy to an electronic-driven economy.

The apex bank said, "Our economy uses too much cash for transactions for goods and services, especially for buying and selling.

"This is not how it is done in other progressive countries of the world where there are other payment options like debit and credit cards, bank transfers, bank direct debits, Automated Teller Machines (ATMs), and even mobile phone money. These achievements have been brought about by the changing needs of their people, competition among banks, and other companies, including changes in technology. Our major focus is to increase the volume of all available payments instruments in Nigeria."

Recent figures from the NIBSS indicate a gradual shift towards an electronic-driven economy.

Commenting on the surge in electronic payment, the Head, Corporate Communications, NIBSS, Lilian Phido, said: "It is very clear that more and more people are accepting the channels of payment that are available and the platforms are stable. With stability, these components have grown. With stability more and more people are moving."

Analysts believe the ease cashless transactions have brought to banking has made more people to adopt electronic transfer.

Inflation Rate Declines In The Month Of May - NBS

By Ahmed Ahmed

Considering the recent consumer price index (CPI), the National Bureau of Statistics (NBS) has stated that the headline inflation for the month of May 2022 increased by 17.71 percent on a year-on-year basis.

This is 0.22 percent points lower compared to the rate recorded in May 2021, which is (17.93) percent. This means that the inflation rate declined in the month of May when compared to the corresponding month in 2021.

This decline is due to less effect of covid on prices in 2022 compared to 2021. Also, the rate of changes in food prices was higher in 2021 compared to 2022. Increases were recorded in all COICOP divisions that yielded the headline index. That is an increase in the prices of bread and cereals, potatoes, yam, other tubers, wine, fish, meat, and oils.

On a month-on-month basis, the headline inflation rate rose to 1.78 percent in May 2022, this is also 0.02 percent rate higher than the rate recorded in April 2022 (1.76) percent. The headline inflation increased by 16.45 percent change in the average composite CPI for the twelve months period ending May 2022, a 0.95 percent increase compared to the 15.50 percent recorded in May 2021.

The index for urban inflation rate on a year-on-year increased to 18.24 percent; this is a 0.27 percent decline compared to 18.51 percent recorded in May 2021. On a month-on-month basis, the urban inflation rate rose to 1.81 percent in May 2022, this is a 0.03 percent increase compared to April 2022 (1.78). The twelve-month average percentage change for the urban index is 17.00 percent in May 2022. This is 0.91 percent higher compared to 16.09 percent reported in May 2021.

The rural inflation rate increased year-on-year to 17.21 percent in May 2022, a 0.15 percent decline compared to 17.36 percent recorded in May 2021. On a month-on-month basis, the rural index rose to 1.76 percent in May 2022, up by 0.02 percent from the rate recorded in April 2022 (1.74), while the twelve-month average percentage change for the rural inflation rate in May 2022 is 15.91 percent. This is 0.97 percent higher compared to 14.94 percent recorded in May 2021.

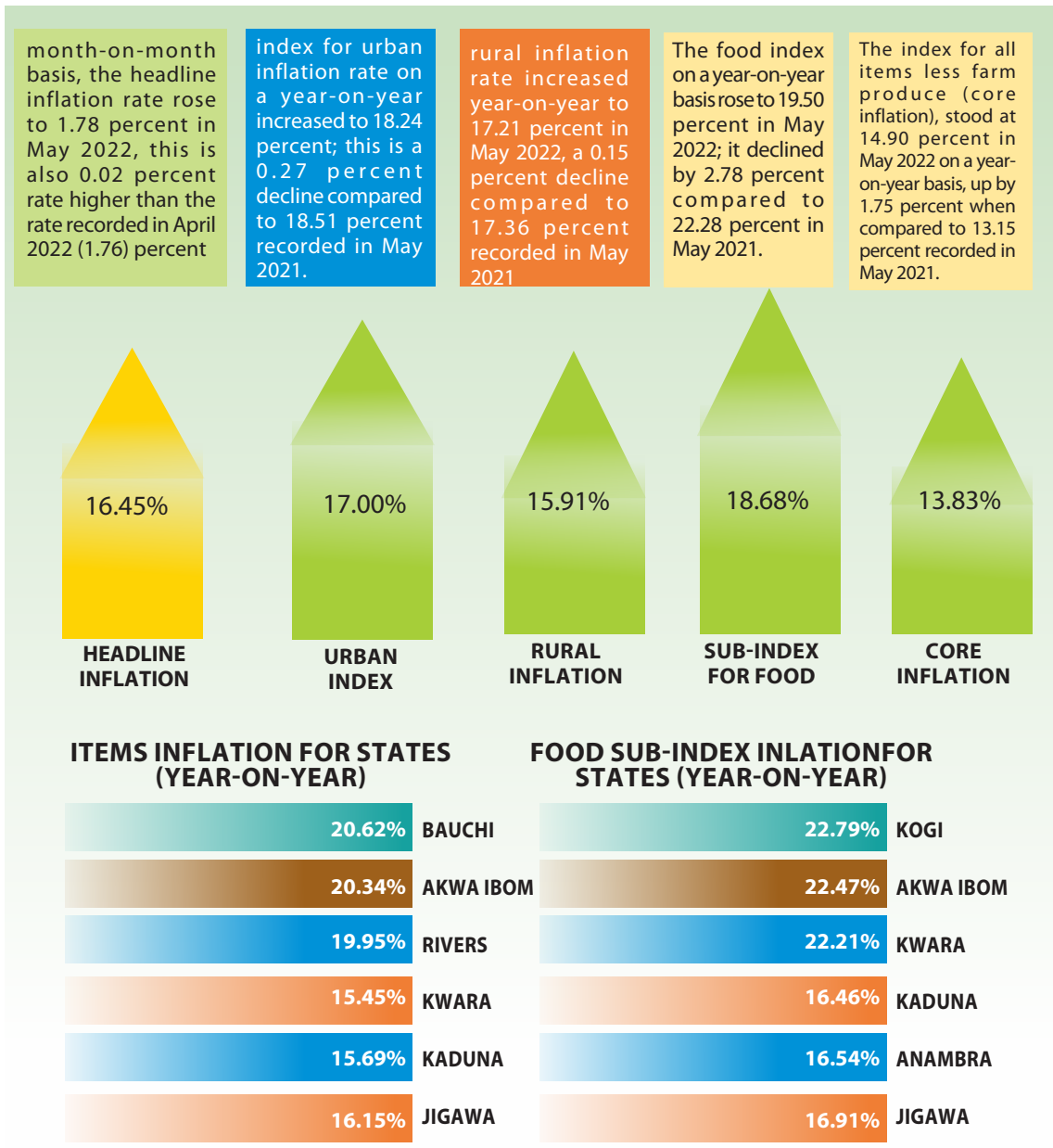
The food index on a year-on-year basis rose to 19.50 percent in May 2022; it declined by 2.78 percent compared to 22.28 percent in May 2021. The rise in the food index was caused by increases in prices of bread and cereals, food products potatoes, yam, other tubers, wine, fish, meat, and oils. On a month-on-month basis, the food sub-index increased to 2.01percent in May 2022, up by 0.01 percent points from 2.00 percent recorded in April 2022. The average annual rate of change of the food sub-index for the twelve-month period ending May 2022 is 18.68 percent, which is 0.05 percent points decline from the rate recorded in May 2021 (19.18) percent.

The index for all items less farm produce (core inflation), stood at 14.90 percent in May 2022 on a year-on-year basis, up by 1.75 percent when compared to 13.15 percent recorded in May 2021. On a month-on-month basis, the core sub-index increased to 1.87 percent in May 2022. This is up by 0.65 percent when compared to 1.22 percent recorded in April 2022. The highest increases were recorded in prices of gas, liquid fuel, garment, solid fuel, cleaning, repair and hire of clothing and Passenger transport by road. The average 12-month annual rate of change of the index was 13.83 percent in May 2022; this is 2.33 percent points higher than 11.50 percent recorded in May 2021

All items inflation for the states in May 2022 on a year-on-year basis was highest in Bauchi (20.62 percent), Akwa Ibom (20.34 percent), and Rivers (19.95 percent), while Kwara (15.45 percent), Kaduna (15.69 percent) and Jigawa (16.15 percent) recorded the slowest rise in the headline inflation. On a month-on-month, May 2022, recorded the highest increases in Bauchi (3.17 percent), Bayelsa (2.73 percent), and Kogi (2.71 percent), while Yobe (0.22 percent), Jigawa (0.95 percent) and Benue (1.07 percent) recorded the slowest rise on month-on-month inflation.

Food sub-index Inflation for the states in May 2022, on a year-on-year basis was highest in Kogi (22.79 percent), Akwa Ibom (22.47 percent), and Kwara (22.21 percent), while Kaduna (16.46 percent), Anambra (16.54 percent) and Jigawa (16.91 percent) recorded the slowest rise in food inflation.

On a month-on-month basis, however, in May 2022 food inflation was highest in Rivers (3.65 percent), Abia (3.31 percent), and Ogun (3.23 percent), while Yobe (0.01 percent), Osun (0.76 percent), and Jigawa (0.81 percent) recorded the slowest rise in food inflation.



SEC To Launch Unique Identifier Against Fraud In Capital Markets

As Banks Warn Customers Not to Use Crypto Accounts for Transactions

By Kirk Obed

In a bid to ensure that Nigeria's capital market participants are given unique identifiers, Securities and Exchange Commission (SEC) has moved to contain issues of fraud in the capital market as well as reduce to the barest minimum the quantum unclaimed dividends.

This is part of efforts by the commission to manage identities of participants in the capital market.

Mr. Lamido Yuguda, Director-General (DG) of SEC, stated this during a meeting with the management of Nigeria Data Protection Bureau in Abuja recently.

Yuguda said that the identity management project already on-going in the capital market is to ensure that every participant within the market has a unique identifier that will be given to him or her so that all capital market transactions will be secured and done on a Straight Through Processing basis, leaving very little human intervention in the processing of data.

The DG said that the commission decided to engage relevant stakeholders in a bid to resolve issues of identity management to tackle the problem of unclaimed dividends.

He also said that the commission was currently engaging stakeholders to harmonise various databases of investors and facilitate data accuracy in the market as well as increasing investors' education to stem the trend.

He said: "This is an institution that is going to be a strong partner to your bureau in the discharge of your functions, to ensure that there is data integrity, data security and that all agencies and capital market operators do comply with Nigeria Data Protection Regulation (NDPR). And as far as the commission is concerned, at the moment, we have an information technology (IT) transformation project underway that seeks to strengthen our data protection within the commission, the capital market, as well as our entire IT environment. So, it will be up to speed in terms of modernity, efficiency and protection of the database of the commission and the capital market.

"The bureau and the commission can collaborate to ensure that institutions under my supervision should comply with NDPR as we have a lot of leverage over the institutions that work in the capital market. So, we can put more emphasis on compliance in our interaction.

"There is a huge gap and big capacity for the agency, and the agency will need more people and resources. The world is moving towards an online world which means that data is going to be given and stored somewhere and it can be compromised. That is the core purpose of your agency, to ensure that the data is properly used to the benefit of Nigeria and Nigerians, and I believe that this is an important task.

Looking at the capital market, people buy investments, remove money, get dividends etc., everything about it is data because no one wants to go to a stockbroker's office now.

"We will give you the maximum support that we can. We know that when you work well, our own industry also functions better. All these should be good news to your agency, and I want to reemphasise our commitment to your success and offer our hands-on collaboration.

In his address, Vincent Olatunji, National Commissioner, Data Protection Bureau (DPB), commended the SEC on its robust data policy and expressed the readiness of the bureau to collaborate with the commission.

Olatunji stated that due to the fact that the issue of data is a global one as almost everything is online, there is a need to ensure that our personal data that we give is safeguarded and adequately protected and processed within adequate regulations in the country and internationally.

He said: "The whole world is a global village, and we are constantly interacting over various issues. The sector had the highest contribution to our gross domestic product (GDP) last year and that speaks volumes. Over 104 million Nigerians go on the internet daily and now we are looking at digitizing everything.

"We are committed to ensuring the protection of the data of Nigerians and to ensure we have globally competitive businesses as most countries will not want to go into business with you if you do not have your data protection and a supervising authority in place.

In another development, banks have warned customers to avoid using their accounts for cryptocurrency transactions despite the SEC latest regulation on cryptocurrency which essentially formalised cryptocurrency as an asset class in Nigeria.

In an email to a bank customer, the bank warned against using their bank accounts for cryptocurrency transactions as the accounts would be closed, if the customer is caught.

The email stated: "Further to its earlier communication that dealing in cryptocurrencies or facilitating payments for cryptocurrency exchanges is prohibited, the Central Bank of Nigeria (CBN) has in its letter with reference number BSD/DIR/GEN/LAB/14/001, dated February 5, 2021, directed that all banks, non-bank financial institutions and other financial institutions should identify persons and/or entities transacting in or operating Cryptocurrency exchanges within their systems and ensure that such accounts are closed immediately.

"In line with the CBN directive, kindly note that any account identified as transacting in or operating Cryptocurrency exchanges within our system will be closed immediately."

Recalled that earlier this year, the CBN fined six banks a total of N1.315 billion for failing to comply with regulations prohibiting customers from transacting in cryptocurrencies.

However, the SEC recently released a regulatory framework around the crypto industry, spelling out the requirements and rules for governing and participating in the space.

Nigeria Not Deriving Benefits From Current High Crude Prices – Finance Minister

By Anita Dennis

Nigeria is not deriving the benefits it should from the current high crude prices rather, rising crude prices is posing significant fiscal challenges to the economy and may lead to negative receipts very soon if drastic steps are not taken.

This was the position of the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, at the recent launch of Nigeria Development Update by the World Bank.

She stated in her remarks on 'Efforts At Enhancing Revenues And Efficiency In The Oil And Gas Sector' that three factors are preventing Nigeria from fully benefitting from the current boom in international oil prices.

"First, oil production has fallen below Nigeria's estimated capacity and the Organisation of the Petroleum Exporting Countries (OPEC) quota because of insecurity, vandalisation and crude theft in the Niger Delta. Second, the domestic price of premium motor spirit (PMS) has remained fixed while global PMS prices have continued to rise. Third, rising international crude price increases the burden of PMS subsidy that we pay," she said.

Mrs. Ahmed said: "By maintaining an unsustainable price control of PMS, we as a country are forgoing investments in essential infrastructure, goods and services that could increase the overall productivity of the economy.

On what Nigeria is doing, she stated: "We are, therefore, seeking to implement all necessary reforms that would, among other things, reduce the fiscal burden of energy subsidies, enhance internal control and promote greater efficiency in oil and gas operations, a move towards market-based pricing of all petroleum products as stipulated in the Petroleum Industry Act (2021), and the eventual elimination of PMS subsidies.

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

"We are implementing measures to better monitor and improve the overall governance, operational efficiency and transparency of the entire oil and gas value chain.

In view of the severity of the country's revenue challenge, Mrs. Ahmed noted that Nigeria's greatest fiscal challenge has been revenue more than debt. She said, for example, that federal government's revenue to gross domestic product (GDP) is one of the lowest in the world; in fact, it is the lowest of the 115 largest economies. "The fiscal deficit of the federal government has been on the increase since 2015 precipitated first by the economic recession from the fall in global oil prices; followed later by the combined effects of the COVID-19 pandemic, the resulting oil glut, and the large fiscal burden of the PMS subsidy.

"Despite our recent economic recoveries and higher oil prices, our fiscal deficit remains very high due largely to the surge in PMS subsidies. As a result, debt pressures have continued to increase.

"While the debt to GDP ratio is still relatively low by international standards, the burden of debt servicing has risen rapidly from 68 percent of revenues in 2017 to 76 percent as of November 2021.

Speaking on the government's response to increase revenue, the Honourable Minister said: "We are responding to these evolving fiscal pressures, by taking urgent steps to accelerate domestic revenue mobilisation, as in accelerating revenue mobilisation reforms (ARMOR), initiative over the next three years."

Stating further, she said: "As some of you may be aware, government has made significant progress following the launch of the strategic revenue growth initiative (SRGI). ARMOR is upscaling the achievements of the SRGI in concretely addressing the perennial domestic revenue mobilisation (DRM) challenges and draw selectively from measures planned under the initiative, with a focus on accelerating targeted revenue mobilisation strategies in the near term.

According to Mrs. Ahmed, the programme would be implemented across federal government revenue agencies as a Program-for-Results (P4R) initiative where disbursements are linked to the attainment of a set of agreed additional revenues enabling reforms indicators.

"The programme specifies disbursement-linked indicators (DLIs) and disbursement-linked results (DLRs) that are required to be met by participating agencies to enhance revenues and strengthen fiscal management.

"The ARMOR programme is expected to increase non-oil revenues by N3.8 trillion within three years based on proposed reforms between 2022-2024. On the oil side, the reforms currently being proposed focus on strengthening the transparency of oil revenue flows and are expected to increase revenue flows from oil ministry, departments and agencies (MDAs) by about N160 billion annually.

Mrs. Ahmed also stated: "This is estimated to increase to about N3.5 trillion when PMS subsidy is phased out. All these would be in addition to other revenue enhancing and leakage blocking initiatives being pursued by the government.

Nigeria's Eurobond Yields Rise To 10.6 Percent

By Musa Ibrahim

Nigeria's Eurobond yield with a maturity of 2022 closed trading last Friday at a yield of 10.6 percent up from 8.9 percent at the end of April 2022. The bond is expected to mature in five years.

It was also trading for 6.424 percent at the end of December 2021 and opened the year at about 6.384 percent.

The Eurobond has a total face value of $1.5 billion and was borrowed at a coupon of about 6.5 percent when it was initially issued.

Bond yields have risen in the last few weeks driven by the increase in US Interest rates by the US Federal Reserves. The US Fed commenced rate hikes in response to the record-high inflation rate experienced in the world's largest economy. The US Inflation rate stood at 8.3 percent in April.

Implications

A hike in the US interest rates is targeted at curbing inflation in the world's largest economy which is achieved when the rate hikes lead to a rise in borrowing costs.

The rise in borrowing costs means people borrow less thus reducing the amount of cash in circulation in the US economy.

Unfortunately, these rate hikes negatively affect emerging markets like Nigeria as it also means the cost of borrowing will be expected to rise.

The rise in Nigeria's Eurobond yield occurs when investors sell Nigerian Eurobonds forcing prices to plummet. Bond yields are inversely proportional to bond prices.

The 2027 Eurobond closed with a price of $82.596 7 compared to $99.972 in January. A Nigerian Eurobond has a face value of $100 per unit.

Nigerian Eurobond yields fall across the board. The drop is experienced across all the Eurobond tracked from the website of the Debt Management Office (DMO) of Nigeria.

For example, the 7.875 percent US$1.5BN FEB 2032 Eurobond (matures in about 10 years) is trading at a yield of about 11.779 percent. The same bond was trading at a yield of 7.9 percent in January.

As of January 4th, the highest bond yield was the 9.248 percent US$750million January 2049 Eurobond which was trading at 8.99 percent. The bond currently has a yield of 12.3 percent.

Nigeria's rising inflation rate is also a major concern. By implications, it means the IMF recently expressed concerns that the rate hike in the US could trigger an economic crisis for emerging markets like Nigeria.

"Past episodes suggest that rapid interest rate increases in advanced economies can tighten external financial conditions for emerging market and developing economies," says International Monetary Fund (IMF).

The IMF is basically saying that as the US raises interest rates it reduces the amount of foreign investment coming into emerging markets and even forces capital flight as investors sell off the bonds.

The rise in Nigeria's Eurobond yield suggests the IMF fear is already occurring.

Ghana has also seen its Eurobond yield cross 14 percent as investors dump the West African country's bonds.

A higher Eurobond yield also means borrowing in dollars will be more expensive while investing in dollars should be lucrative.

IMF To Cut Forecast For Global Growth Again

International Monetary Fund (IMF) expects a further cut of its forecast for global growth next month, the third downgrade this year.

The Fund's Director of Communications, Gerry Rice said the decision follows moves by the World Bank and the Organisation for Economic Co-operation and Development (OECD) to cut their forecasts.

The expected cut would mark the IMF's third downgrade this year.

In April, the IMF slashed its forecast for global growth by nearly a full percentage point to 3.6 per cent this and next year.

Rice explained that the outlook still called for growth across the globe, albeit at a slower level, but that some countries may be facing a recession.

"Several developments have taken place that could lead us to revise down further," Rice told reporters. "So much has happened and (is) happening very quickly since we last came with our forecast," he added.

The IMF is due to release an update to its World Economic Outlook in mid-July.

The World Bank on Tuesday slashed its global growth forecast by nearly a third to 2.9 per cent for the year, citing compounding damage from Russia's invasion of Ukraine and the COVID-19 pandemic, while warning about the rising risk of stagflation.

A day later, the OECD cut its forecast by 1.5 percentage points to three although it said the global economy should avoid a bout of 1970s-style stagflation.

Rice said the expected downgrade was due to the continuing war in Ukraine, volatile commodity prices, very high food and energy prices, and a more severe than expected slowdown in the Chinese economy, as well as rising interest rates in several advanced economies. He gave no details on China's outlook.

He added: "We're seeing this confluence of crises ... the combination of all of these things going in the same direction of downside risks materialising."

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Economy & Investment

ADVERT RATE

COLOUR

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	557,916.68	41,843.76
H/P	316,462.50	23,734.68
Q/P	152,770.00	11,457.76
14.5x5	452,218.76	33,916.40
14.5x3	271,293.26	20,347.00
10x6	374,250.00	28,068.76
10x5	311,875.00	23,390.62
10x4	249,500.00	18,712.50
9x6	336,825.00	25,261.88
9x5	280,687.50	21,051.56
9x4	224,550.00	16,841.26
9x3	168,412.50	12,630.94
8x6	299,400.00	22,455.00
8x5	249,500.00	18,712.50
8x4	199,600.00	14,970.00
7x6	251,975.00	18,898.12
7x5	218,312.50	16,373.44
7x4	174,650.00	13,098.76
7x2	172,150.00	6,549.38
6x4	149,700.00	11,227.50
6x3	112,275.00	8,420.62
6x2	74,850.00	5,613.75
5x6	187,125.00	14,034.38
5x5	155,937.50	11,695.32
5x4	124,750.00	9,356.26
5x3	93,562.50	7,017.18
5x2	62,375.00	4,678.12
4x4	99,800.00	7,485.00
4x3	74,850.00	5,613.76
4x2	49,900.00	3,742.50
3x2	37,425.00	2,806.88
2x2	24,950.00	1,871.26
2x1	12,475.00	935.62
1x1	6,237.50	467.82

PUBLIC NOTICE POLITICAL		
Size	Rate	Vat (7.5%)
F/P	578,838.55	43,412.90
H/P	328,329.84	24,624.74
Q/P	158,498.88	11,887.42
14.5x5	234,558.65	35,183.80
14.5x3	284,858.44	21,364.38
10x6	388,303.80	29,122.78
10x5	323,586.50	24,268.98
10x4	258,869.20	19,415.20
9x6	349,473.42	26,210.50
9x5	291,227.85	21,842.08
9x4	232,982.28	17,473.68
9x3	174,736.70	13,105.26
8x6	310,643.04	23,298.22
8x5	258,869.20	19,415.20
8x4	207,095.36	15,532.16
7x6	271,812.66	20,385.94
7x5	226,510.55	16,988.30
7x4	181,208.44	13,590.64
7x2	90,604.22	6,795.32
6x4	155,321.52	11,649.12
6x3	116,491.14	8,736.84
6x2	77,660.76	5,824.56
5x6	194,151.90	14,561.40
5x5	161,793.24	12,134.50
5x4	129,434.60	9,707.60
5x3	97,075.95	7,280.70
5x2	64,717.30	4,853.80
4x4	103,547.66	7,766.08
4x3	77,660.74	5,824.56
4x2	51,773.84	3,883.04
3x2	38,830.38	2,912.28
2x2	25,886.92	1,941.52
2x1	12,943.46	970.76
1x1	6,471.72	485.38

BLACK AND WHITE

PRODUCT		
Size	Rate	Vat (7.5%)
F/P	366,792.56	27,509.44
H/P	198,423.18	14,881.74
Q/P	95,782.00	7,183.66
14.5x5	283,950.60	21,296.30
14.5x3	190,000.00	14,250.00
9x6	234,993.60	17,624.52
9x5	176,245.20	13,218.4
9x4	140,996.16	10,574.72
9x3	105,747.12	7,931.04
8x6	187,994.88	14,099.62
8x5	156,662.40	11,749.68
8x4	126,329.92	9,474.74
7x6	164,495.52	12,337.16
7x5	137,079.60	10,280.98
7x4	109,663.68	8,224.78
7x2	54,831.84	4,112.38
6x4	93,997.44	7,049.80
6x3	70,498.08	5,287.36
6x2	70,498.08	5,287.36
5x6	117,496.80	8,812.26
5x5	97,914.00	7,343.56
5x4	78,331.20	5,874.84
5x3	58,748.40	4,406.14
5x2	39,165.60	2,937.42
4x4	62,664.96	4,699.88
4x3	46,998.72	3,524.90
4x2	31,322.48	2,349.18
3x2	23,499.38	1,762.46
2x2	15,666.24	1,174.96
2x1	7,833.12	587.48
1x1	3,916.56	293.74

PUBLIC NOTICE POLITICAL		
Size	Rate	Vat (7.5%)
F/P	435,178.08	32,638.36
H/P	254,538.96	19,090.42
Q/P	131,226.90	9,842.02
14.5x5	38,040.56	2,853.04
14.5x3	232,825.87	17,461.94
10x6	319,512.00	23,963.40
10x5	266,260.00	19,969.50
10x4	213,006.00	15,975.46
9x6	287,560.80	21,567.06
9x5	239,634.00	17,972.56
9x4	191,707.20	14,378.04
9x3	143,780.40	10,783.54
8x6	255,609.60	19,170.72
8x5	213,008.00	15,975.60
8x4	170,406.40	12,780.48
7x6	223,658.00	16,774.36
7x5	186,382.00	13,978.66
7x4	149,105.60	11,182.92
7x2	74,552.80	5,591.46
6x4	127,804.80	9,585.36
6x3	95,853.60	7,189.02
6x2	63,902.40	4,792.68
5x6	159,756.00	11,981.70
5x5	133,130.00	9,984.76
5x4	106,504.00	7,987.80
5x3	79,878.00	5,990.86
5x2	53,252.00	3,993.90
4x4	85,203.20	6,390.24
4x3	83,902.40	6,292.68
4x2	42,601.60	3,195.12
3x2	31,951.20	2,396.34
2x2	21,300.80	1,597.56
2x1	10,650.40	798.78
1x1	5,325.20	399.40

SPECIAL POSITION	Rate	Vat (7.5%)
FPS 6x2	1,291,193.44	96,839.50
BPS 6x2	923,375.00	69,253.12
STRIP (FRONT) 2X6	1,322,912.50	99,218.44
STRIP (BACK) 2X6	1,037,500.00	77,812.50
STRIP (INSIDE) 2X6	218,460.38	16,384.52
EARPIECE (FRONT) 2X2	517,094.30	38,782.08
EARPIECE (BACK) 2X2	405,145.10	30,385.88
EARPIECE (INSIDE) 2X2	240,000.00	18,000.00
CENTERSPREAD (FULL)	3,320,000.00	249,000.00
CENTERSPREAD (HALF)	1,992,000.00	149,400.00
CENTERSPREAD (STRIP)	594,300.00	44,572.50
DOUBLESPREAD	2,982,952.00	223,721.40

WRAP	Rate	Vat (7.5%)
FULL WRAP	41,500,000.00	3,112,500.00
10 X 6	28,620,690.00	2,146,551.76
HALF PAGE (FRONT)	20,800,000.00	1,560,000.00
5X6 (FRONT)	14,312,344.00	1,073,425.80
4X6 (FRONT)	11,448,274.00	858,620.56
2X6 (UNDER MASTHEAD	7,262,500.00	544,687.50
2X6 (FRONT POLITICAL)	1,560,000.00	117,000.00

LOOSE INSERT	
RATE PER 1,000 SHEETS	60,000.00
HANDLING CHARGE (SINGLE)	1,000,000.00
HANDLING CHARGE (SINGLE)	1,000,000.00

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NEITI, CAC, Others To Unveil Beneficial Ownership Register Soon

• As CAC Clears Air On 2022 Recruitment

By Edmond Martins

In a move aimed at deepening transparency and accountability, the Nigerian Extractive Industries Transparency Initiative (NEITI) is partnering with the Corporate Affairs Commission (CAC), Economic and Financial Crimes Commission (EFCC), the Nigerian Financial Intelligence Unit (NFIU) and other relevant agencies to have a functional beneficial ownership register that contains the real owners of companies operating in the extractive sector.

The Executive Secretary of NEITI, Dr Orji Ogbonnaya Orji, made the disclosure in Abuja recently while presenting the Open Government Partnership (OGP) award to President Muhammadu Buhari through the Minister of State for Budget and National Planning, Prince Clem Agba.

According to him, the new register would be what various stakeholders can use in their operations, adding that NEITI would establish a joint coordination committee in June this year.

Dr. Orji Ogbonnaya Orji, Executive Secretary of NEITI

Orji said: "I am delighted to present to the Minister the OGP award won by Nigeria in December 2021, during the last Global Summit of OGP member countries held in Seoul, South Korea.

"Nigeria is implementing both the Extractive Industries Transparency Initiative (EITI) and OGP- two very important global multi-stakeholder governance initiatives that share core similarities and commitments to deliver on transparency and open governance in member's countries.

In his remarks, Prince Agba said that he has written a memo to President Buhari for Nigeria to join the league of Beneficial Ownership Leadership Forum.

According to him, the relevant ministries that are required to put in their comments have done so, adding, "we are getting closer to being a member of that Beneficial Ownership Leadership Forum."

The minister also revealed that the federal government was accomplishing so much infrastructural development amid less and depleted revenues.

He noted that for several years, while the country had surplus revenues, previous administrations were only budgeting funds for the Second Niger Bridge without executing the project.

According to him, the present administration has built the bridge to link Delta State to Anambra State in the face of paucity of funds.

"One good thing is that this government is doing more in terms of infrastructural development with less revenue available, unlike when we had so much revenue but there was not any infrastructure to show. Today, we see projects. We can touch on the projects. We can feel the projects. The Second Niger Bridge is no longer a story. We were told about it before, for so many years, it was budgeted for but we never saw anything. But now that bridge is connected from Delta to Anambra" he noted.

Agba, who urged the citizenry to also narrate the positive side of Nigeria's story, noted that the people only tell about what is yet to be done. He said that only those in the diaspora appreciate the country for the good efforts of the present administration.

FIRS Set To Commence Nationwide Tax Compliance

By Kingsley Benson

The Federal Inland Revenue Service (FIRS) has announced that it would begin a compliance exercise on value added tax (VAT) and withholding tax (WHT) in July 2022.

The announcement was made in a public notification signed by Muhammad Nami, the Executive Chairman of the FIRS.

The FIRS team will visit ministries, departments and agencies (MDAs), non-governmental organisations (NGOs), and other corporate organisations, according to the notification.

Mr. Johannes Wojuola, Special Assistant to the Chairman, FIRS on Media and Communications, said the action was in response to an earlier notice to begin the recovery of unpaid taxes owed to the federation by state and local governments.

The FIRS officers would visit chosen taxpayers and taxable persons to evaluate their VAT and WHT records, according to Mr. Wojuola.

"The exercise will cover 2016 to 2020 accounting years for taxable persons whose records have been audited by the service up to 2015 accounting year.

"For taxpayers whose records have not been audited by the service up to 2015, the exercise will be extended to include the prior years that have not been tax audited," added Wojuola.

He explained that those who would be visited during the monitoring exercise would be notified and informed of the required documents for review beforehand.

"We, therefore, call on all taxable persons and tax agents to immediately remit deductions of VAT and WHT they have made," he said.

Note that the FIRS plans to begin enforcing and recovering unpaid tax deductions owed by some Nigerian states and local governments.

Due to the failure of defaulting state governments and local governments to remit, the FIRS has advised the federal government and the Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, to decline approval of any request for the issuance of state bonds or other securities in the capital market, as well as requests for external borrowing and approval of domestic loans from commercial banks or other financial institutions by any of the state and local governments.

The FIRS has stated that it would commence the process of enforcement and recovery of unremitted tax deductions owed by some state governments and local governments in Nigeria.

The Service stated that it would also publicise the names and make the defaulting states and local governments to be ashamed.

The decision with the agency is contained in a public notice, signed by Nami on Wednesday, June 1, 2022, and can be seen on the federal government's official Twitter account.

There the FIRS states the responsibilities of MDAs, Parastatals, others in tax collection.

Muhammad Nami, Executive Chairman of FIRS

Mr. Nami in the statement said that the tax authority noted that most state and local governments have failed to remit to the service WHT and VAT deductions from payments made to contractors and service providers by them as required by law.

The notice, highlighting relevant portions of the Companies Income Tax Act (CITA) and the Value Added Tax Act (VATA), states that ministries, departments and agencies of government, as well as parastatals and other establishments, were mandated by law to deduct certain taxes while making payments to third parties and remit those deductions to the FIRS.

The notice partly reads: "The provisions of Sections 78(3), 79(3), 81 of the Companies Income Tax Act (CITA), and Sections 9(I), 13(1) of the Value Added Tax Act (VATA), mandate Ministries, Departments and Agencies of Government (MDAs), Parastatals and other establishments to deduct WHT and VAT while making payments to third parties and remit same to the Service.

"By the provisions of the relevant laws, state and local governments are statutorily mandated, as agents of collection, to deduct at source and remit to the Service, all taxes deducted, within twenty-one days."

It further states that most state and local governments have failed to comply with these provisions of the law, despite appeals from the FIRS.

It states: "However, it is regrettable to note that most of the state and local governments have failed in their responsibilities of remitting WHT and VAT deducted from payments made to contractors and service providers as required by law.

"The implication is the huge tax debts owed by the state and local governments. All entreaties by the Service to ensure the remittance of the established unremitted tax deductions by the defaulting state and local governments have been unsuccessful as a result of lack of cooperation in adopting the e-payment platforms provided by the FIRS for a seamless deduction and remittance of these taxes."

FIRS reveals an action to be taken against defaulting states, local governments and others, following the failure to remit the tax by defaulting state and local governments.

It further stated that it would also invoke the provisions of Section 24 of its Establishment Act which empowers the Accountant-General of the Federation (AGF) to deduct at source from the monthly Federation Account Allocation Committee (FAAC) allocations, un-remitted taxes due from any government agency and to thereafter transfer such deductions to the Federation Account and notify the Service.

The FIRS called on all defaulting state and local governments to promptly remit all unremitted tax deductions within 30 days of the publication of the notice to avoid it taking the enforcement actions.

NEWS IN PICTURES

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, at the launch of the National Tree Planting Campaign, during the meeting of Council of Ministers of the Pan African Great Green Wall Member States at the State House, Abuja.

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, with Minister of State, Federal Capital Territory (FCT), **Dr. Ramatu Tijjani Aliyu,** at the launch of the National Tree Planting Campaign at the State House, Abuja.

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, with Minister of Environment, **Mohammad Mahmood Abubakar,** at the launch of the National Tree Planting Campaign at the State House, Abuja.

FG To Generate $176bn From Customs Modernisation Project

• To Rake $2.06bn From New Project

By Felix Omoh-Asun & Musa Ibrahim

The Infrastructure Concession Regulatory Commission (ICRC) has said that the Nigerian Customs modernisation project, a public private partnership (PPP), would generate over $176 billion to the federal accounts in 20 years.

Acting Director-General (DG) of the ICRC, Michael Ohiani, disclosed this at the signing ceremony of the concession.

The concession agreement was between the Nigeria Customs Service (NCS) and Trade Modernisation Project Limited, with Huawei Technologies as the technical partner and Africa Finance Corporation (AFC) as the lead financiers, all under the regulatory supervision of the ICRC.

According to the DG of ICRC, the project, which is a Presidential initiative on Customs modernisation, would attract an investment of over $3.2 billion.

"Having gone through all the PPP processes satisfactorily and obtained ICRC's Full Business Case compliance (FBC), the approval of the Federal Executive Council (FEC) and the final vetting of the concession agreement by the Honourable Minister of Justice and Attorney-General of the Federation (AGF), the parties are today, ready to execute the agreement and commence implementation of the project. I urge the concessionaire to ensure the full implementation of the terms of the agreement credibly and in line in with global best practices," he said.

On his part, the Comptroller-General (CG) of the NCS, Col. Hameed Ali, commended the ICRC for remaining steadfast in advancing the implementation of the project.

He allayed fears that the implementation of a modernised and computerised service would lead to job losses, stressing, however, that the NSC would rather require an additional 15,000 staff for optimal operation.

"Let me commend ICRC. But for their steadfastness and tenacity we would not be here celebrating this project today. We are indeed grateful and your name is written in gold.

"We are happy to say that in Nigeria, we are going to be fully digitised and modernised. We are setting a pace for all other African countries to learn from.

"There are rumours that the project is going to weed off officers; let me allay those fears: We are even in need of officers. We have only about15,000 and by the mission of the management, we need nothing less than 30,000 to effectively carry out the mandate," he said.

Michael Ohiani, Acting Director-General (DG) of ICRC

The CG also hinted that the project was going to quadruple the monthly revenue of the service.

"As of today, we are making a collection of from N210 billion to N225 billion per month. It is our hope that by the time we put trade modernisation in place, we would triple this figure, if not quadruple," he said.

He expressed optimism that the NSC would soon invite President Muhamadu Buhari to flag off the project, calling for support from all stakeholders, including staff of the service, project partners and the media.

The representative of Huawei Technologies, Kevin Yang, said: "I just want to express our commitment that we will make sure that all the deliverables to the facility and process automation and paperless Customs is achieved. We will make sure this is a world standard project."

The Representative of the AFC's Chief Executive, Sumaila Zuberu on her part reiterated the commitment of the AFC to the project, pointing out that its success will be a reference point for the Customs Service in other African countries.

She expressed hope that the project will be quickly implemented, adding that the AFC was still very committed to providing the relevant finance required for the project.

Meanwhile, the Chairman of Trade Modernisation Project Limited, the main concessionaire of the Customs modernisation project, Alhaji Saleh Ahmadu, reiterated the commitment of the company to the project.

"As the concession period begins, we wish to assure Nigerians that the revenue target of 176 billion dollars for the Federal Government will be achieved, if not surpassed." More importantly, we are excited about the real economic benefits for the country, in terms of business growth for exporters and import-dependent businesses.

"Others are improved global supply chains, enhanced industrial capacity utilisation and creation of employment opportunities,'' Ahmadu said.

While explaining that the project was driven by technology, Ahmadu said that there would be more efficiency in the business processes of the Nigeria Customs Service.

Similarly, Dr. Jummal Umar-Ajijola, the Managing Director, TMPL, said that the concession agreement for the Service Modernisation Project signaled the importance the Federal Government attached to the role of trade in national development. "Today,(Monday), Nigeria takes a giant leap to strengthen its readiness for global trade in the 22nd century.

"The rapidly changing human development needs and challenges of globalisation require an agile national response.

"This modernisation covers the entire operations of the customs service end-to-end, providing a value chain that creates an ecosystem that will facilitate trade not only in Nigeria but on the continent.

"For us at Trade Modernisation, we see that that 22nd century just dawned in Nigeria and the world has to follow us with this leap we have taken. We are going to bring an initial investment of 3.2 billion dollars into this project.

"The world customs organisation is excited about what this means because if you have the Nigerian market you have the African market and if you have the African market you have the global market. Africa is over 1.5 billion strength and that kind of number is what we are looking at trapping in terms of trade. It simply means that both the import and export processes would be made seamless, there would be accountability, leakages would be blocked and that means more revenue to the government," she said.

Umar-Ajijola further said that the project would create more job opportunities, particularly for the youth.

"There would be a lot of opportunities and a lot of new professions would be created, young people would have jobs since they are the people who drive technology. This ecosystem would ensure job generation for the country which of course will lead to sustainable development," she said

The concession agreement, which was consummated at the Abuja Customs Headquarters was muted and crystallised in September 2020 when the Minister of Finance and National Planning, Mrs. Zainab Shamsuna Ahmed announced the approval of the business deal by the Federal Executive Council.

In another development, in its bid to regulate Nigeria's infrastructural development, the ICRC has issued two full business case certificates of compliance for new projects.

The FBC certificate, which is PPPs, is prepared for seeking approval prior to subsequent award of contract and it is issued by the ICRC.

According to Ag. Head, Media & Publicity of ICRC, Manji Yarling, FBCs have been presented to the Minister of Transportation, Mr. Rotimi Amaechi.

The FBCs were for the concession of the Badagry deep seaport and the floating dry dock for Nigerian Maritime Administration and Safety Agency (NIMASA).

Mr. Ohiani explained that for the period of the concession, over $2 billion would go to the federal government while over 5,800 jobs would be created.

"We have the opportunity to present the FBC compliance certificate for the Badagry Deep Seaport and within the concession period, it is going to generate over $2billion. For this project, the employment opportunity is over 5,000 direct and indirect jobs. We present this certificate for the benefit of all Nigerians. We also use this opportunity to present the FBC for the floating dry dock for NIMASA – it is going to create over 800 jobs and will accrue over $65 million within the period of the concession," he said.

The Badagry Port aims to address current infrastructure challenges and provide shipping lines and supply chain managers with the best productivity, location, flexibility and cost effectiveness to power the global supply chains of Nigeria's leading brands.

The state-of-the-art multi-purpose facility will offer its customers superior uncongested hinterland connectivity and the deepest water in West Africa, thus creating a sustainable competitive advantage for Nigeria, going forward.

When completed, the port will comprise: Terminals (General cargo terminals, Container terminals, RoRo & Grain terminals, Offshore supply basis (OSB), Liquid Bulk jetties, Barge and Rail terminal, among others.

The Badagry Port will also, among others, increase government revenues, facilitate foreign investments in required modern port infrastructure and reduce congestion within Apapa and Tin Can Island ports.

Digital Economy Capable of 15% GDP Contributions – Agba

• Says Govt Policies Yielding Positive Results

By Edmond Martins

Prince Clem Agba, Minister of State Budget and National Planning

Minister of State Budget and National Planning, Prince Clem Ikanade Agba, says taxation of the digital economy is capable of lifting government revenue profile by about 15 percent of the country's gross domestic product (GDP) by 2025.

According to him, the federal government is making concerted efforts to prioritise expenditure and place emphasis on resource mobilisation.

Agba disclosed this in his keynote address recently at the 2022 4th edition of Punuka Annual Lecture, themed 'Taxation of the Digital Economy: The challenges And Prospects For The Nigerian economy'.

He noted that the federal government has put in place the Strategic Revenue Growth Initiative (SRGI) and the Finance Act to mobilise domestic funds necessary for human capital and infrastructure development that were both drivers and enablers of sustainable economic growth and development.

His words: "The SRGI is designed to improve government revenue and entrench fiscal prudence with emphasis on achieving value for money. A total of 47 Strategic Revenue Growth Initiatives were identified across three thematic areas to achieve sustainability in revenue generation, identify new revenue streams and enhance the enforcement of existing ones as well as achieve cohesion in the revenue ecosystem.

"The digitalisation of the economy has revealed some challenges and shortcomings in the existing tax practice as it affects the allocation of taxing rights and administration of taxes, especially with respect to non-resident taxpayers."

He added that Nigeria has sought to tackle these issues through a three-pronged approach that consists of strategic changes to tax policy, administration and the legislative framework they are hinged on.

Agba also stressed the importance the current administration had placed on citizens' participation in governance, tracking service delivery and development in their communities. He pointed out that in order to ensure transparency and accountability in the delivery of government's capital projects countrywide, the Budget and National Planning arm of the Ministry had been working on a web application called 'Eyemark' which would assist citizens to eye mark and report on government's projects and programmes earmarked for their communities, using their mobile phones and laptops in real time.

The Eyemark App, he said, allows users to view and explore projects without registering, but would require user registration to review and follow projects.

"With the full launch of the App in the coming weeks, the government requires your active participation in the process of tying budget provisions to projects and getting time value of money earmarked for capital projects, as "governance is a collective responsibility by all citizens," he explained.

In her welcome address, the managing partner, Punuka Attorneys and Solicitors, Mrs. Elizabeth Idigbe, noted that globalisation has brought about digital trade which has increased growth in major sectors of the Nigerian economy such as trade, commerce and taxation.

She added that globalisation has resulted in major digital advancements with emerging issues such as cryptocurrency, e-commerce and cross border digital trade.

With the constant advancements in the digital space and given technological disruptions that are re-defining the global business landscape, Idigbe called for an urgent update in the tax regime in Nigeria so as to accommodate the modern realities of the world as it would enhance revenue generation and overall progress for the Nigerian economy.

Assistant professor of taxation and commercial law of Hamad Bin Khalifa University in Doha Qatar, Dr. Alexander Ezenagu, reiterated the importance of tax when revenue is made.

Ezenagu said that it is important that the government set out to tax revenue and also focus on how to task the revenue.

He also urged the government to decide on the type of reform option that would be flexible and convenient to achieve the desired goal, adding that there are many reform options to consider and that the government really needs to sit and decide on what reform option would be flexible, convenient, but also achieve the desired goal.

In the same vein, the minister did say that the federal government's development strategies would promote economic prosperity.

He also said that the recently inaugurated National Development Plan (NDP) 2021-2025 would provide a blueprint for Nigeria's economic prosperity, adding that the soon-to-be-initiated Nigeria Agenda 2050 is a regional development strategy.

"I want to specifically tell you that regional development is the wide-ranging, multi-level activities designed to promote wellbeing and prosperity in different regions," Agba said.

"It is based on an interaction between ministries, local councils, municipalities and other operators. In regional development, the goals and measures of different countries and administrative branches are examined together from national and regional perspectives. This examination covers the measures and resources for regional development and the effects of policy-making (in different sectors) toward regional development."

Agba said that the main task of the authorities responsible for regional development was to create conditions for cooperation among various regions and states.

According to him, the meeting was to harness ideas that would challenge participants to take full ownership and proffer concrete recommendations to realign the targets to meet the national objectives as encapsulated in the NDP and other actions.

He also said that this would help to establish a close partnership with key stakeholders and organisations at all levels, contribute to the sustainability of reintegration programmes, and socially inclusive development activities that meet the regional development sector.

"It is also to establish guidelines for periodic meetings to be held by regional bodies and engage regional stakeholders for enhanced public dialogue, among others. We are responsible for mapping out implementation strategies for prioritised government projects and programmes as contained in the annual plan, budget, medium-term and long-term plans at various government levels, Agba further stated"

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POLICY BRIEF with ENAM OBIOSIO

Divergent Paces, Varying Speeds Towards More Sequenced Transition

Beyond the sheer scale, complexity and interdependency of the needed changes, the climate transition will be disorderly in that decades of inaction and hesitant implementation of transition measures on local and global levels have steered the planet onto a path that will be difficult to change.

In a recovering yet diverging global economy, countries will need to move at varying paces to prevent short-term disruptions from offsetting long-term gains, but the consequences of disparate transitions will obviously be felt worldwide.

It is to be noted that the least disruptive climate transition measures will be those that holistically integrate the needs of individuals, societies, businesses and planet.

It is therefore advising to understand that domestic and international collaboration should focus on educating the public about the value and need of climate action, including a change in consumer behaviour and demand-destruction for carbon intensive goods.

In the light of all this, businesses of all sizes need to be incentivised to proactively factor in transition risks and move to circular economy models, while governments should be encouraged to take bold and immediate steps towards implementing robust legal frameworks that ensure a just transition.

Of course, any transition of this scale will be disruptive. All stakeholders need to focus on actions that will drive an innovative, determined and inclusive transition in order to minimise the impacts of disorder, facilitate adaptation and maximise opportunities.

All this would require that policies be put in place; policies triggering the premature termination of large-scale industries would disrupt markets, affect financing mechanisms and limit investment opportunities.

The need for policies is in the light of the fact that inconsistent policy signals, choices crippling competitiveness, and conflicting rhetoric, regulations and incentives would generate discontent among businesses.

> A disorderly transition could see more frequent and severe supply chain disruptions due to labour and product shortages...

The transition could lead to stranded assets in carbon-intensive industries, while devaluations could potentially affect the financial system, leading to loss of liquidity and increasing liability, credit and market risks. Businesses perceived as lagging, or as complicit in slowing down climate action, could lose consumer and investor confidence and face additional state intervention and liability risk through judicial action.

Overall, businesses could also lose out on opportunities to invest in net zero technologies and the skilled professionals of the future, impacting their long-term viability.

A disorderly transition could see more frequent and severe supply chain disruptions due to labour and product shortages, especially as sectors and companies switch operating models or simply go out of business. These disruptions present challenges to the resilience of business models across all industries.

However, the way and manner the speed and degree of transition impacts natural ecosystems will, in turn, help or hinder its effectiveness. Some actions taken to mitigate climate change will certainly incur costs for nature.

We have to note that to use more agricultural land to create biofuels for industries such as aviation, and to extract minerals needed for the decarbonisation of the world's economy, additional negative impacts on ecosystems and indigenous societies in emerging economies are difficult to avoid. Consequently, solutions used for carbon offsetting, such as restoring or reforesting land—the so-called offset forests—could be destroyed if the land is damaged by more severe weather such as wildfires or floods, eventually unleashing the stored carbon.

By extension, poorly sited windfarms or hydroelectric dams can affect ecosystems and wildlife at a large scale, and they also present societal risks (such as forced relocation of local residents) and political risks (such as controlling downstream water-access to neighbouring countries). The continued degradation of nature will add to stress on local residents, public health, businesses and ultimately the stability of society, while regional population growth will further impact the use of land and resources such as water and food.

All this marks a common global challenge if not properly taken care of because a divergent economic recovery from the crisis created by these common shocks risks deepening global divisions at a time when societies and the international community urgently need to collaborate to check the menace, heal its scars and address compounding global risks.

One immediate example is the COVID-19 pandemic. In some societies, rapid progress on vaccination, leaps forward on digitalisation and a return to pre-pandemic growth rates herald better prospects for 2022 and beyond. Others could be weighed down for years by struggles to apply even initial vaccine doses, combat digital divides and find new sources of economic growth. Widening disparities within and between countries will not only make it more difficult to control COVID-19 and its variants, but will also risk stalling, if not reversing, joint action against shared threats that the world cannot afford to overlook.

Last year's edition of the Global Risks Report warned of potential knock-on economic risks that are now clear and present dangers. Supply chain disruptions, inflation, debt, labour market gaps, protectionism and educational disparities are moving the world economy into choppy waters that both rapidly and slowly recovering countries alike will need to navigate to restore social cohesion, boost employment and thrive.

These difficulties are impeding the visibility of emerging challenges, which include climate transition disorder, increased cyber vulnerabilities, greater barriers to international mobility, and crowding and competition in space.

Therefore, it is in my place that restoring trust and fostering cooperation within and between countries will be crucial to addressing these challenges and preventing the world from drifting further apart.

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