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EDITORIAL

Policy Makers Should Concentrate On Measures To Improve Domestic Revenue Mobilisation

It would not be saying too much to ask Nigeria's policymakers to help ensure that measures to drive domestic revenue mobilisation is effective in order to reduce fiscal vulnerabilities and create policy space.

Given the fact that Nigeria is currently facing a severe revenue crisis as it continues to underperform in terms of crude oil production, which is its main source of revenue, there is the need for Nigeria to permanently remove fuel subsidy in line with the Petroleum Industry Act (PIA), and in order to boost revenue.

With an estimated average oil price of $100 per barrel for the month, the country lost as much as $756 million to shut-ins in July, according to an analysis of data from the Nigerian National Petroleum Company Limited (NNPCL).

Aside the Forcados terminal, which curtailed supply to the tune of 258,000 barrels as a result of the closure of the

CONTINUES ON PAGE 6

Osinbajo Commissions NSIA-Backed Pandagric Novum Farm

As Ahmed Commends NSIA's Agric Sector Intervention Initiative

On Friday, 30th September, 2022, a delegation of the federal government led by Vice President Yemi Osibanjo was in Nasarawa State to commission the Pandagric Novum Farm Project executed by the Nigeria Sovereign Investment Authority (NSIA). Our correspondent, ***Musa Ibrahim****, writes.*

As part of efforts to boost the Nigerian agricultural sector, Vice President (VP), Prof. Yemi Osibanjo, recently commissioned the Pandagric Novum state-of-the-art farm located in Nasarawa State.

Speaking at the event, Prof. Osinbajo hailed the commitment of the NSIA in serving as a catalyst to galvanise the much-needed investments in the agricultural sector and its value chain.

Specifically, he praised the resilience of the leadership of the NSIA for ensuring that the project is completed within a period of four years, despite the challenges caused by the COVID-19 pandemic, which led to the shutdown of the economy

CONTINUES ON PAGE 3

Vice President, **Prof Yemi Osinbajo,** with Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** at the commissioning of NSIA-Backed Pandagric Novum Farm recently. Photo: Tolani Alli

Osinbajo Commissions NSIA-Backed Pandagric Novum Farm

CONTINUES FROM COVER

Vice President, Prof Yemi Osinbajo (M), MD/CEO of Pandagric Novum Limited, **Mr. Bruce Spain** (R), and Executive Governor of Nasarawa State, **Engr. Abdullahi A. Sule**, during the commissioning of NSIA-Backed Pandagric Novum Farm recently.

in 2020.

Prof. Osinbajo said that the decision of the NSIA to partner with the private sector in investing in agriculture is in line with the food security agenda of the federal government.

Since the implementation of the Fertiliser Initiative, the VP explained that Nigeria now has over 60 fertilizer blending plants, creating huge number of jobs for the economy.

Through the initiative, he said that about $100million in foreign exchange has been conserved for the country.

He also said: "When you look at the investments, you feel comfortable working with the state, and as you said, despite some of the initial apprehension, you were able to summon the courage and the ambition to enable this sort of project here.

"President Muhammadu Buhari, as you know, passionately believes in the role of agriculture as a key driver of job creation and economic growth in Nigeria.

"In the fulfillment of one of his key mandates, the NSIA has, over the last 10 years, invested in different sub-sectors of the agriculture value chain.

"In 2016, the President set up the Presidential Fertilizer Initiative to address the problem of cost and availability of fertilizers. NSIA was enlisted by the President as the project implementing entity and over its five-year run from 2017- 2022, the program delivered 30 million 50 kg bags of NPK fertilizer to Nigerian farmers.

"It resuscitated the fertilizer blending industry and a lot of fertilizer blending factories, over 60 of them. It created hundreds of thousands of jobs, direct and indirect, and it enabled us to conserve almost $100million in foreign exchange."

He described the Pandagric farm project as the largest maize farm in Nigeria and commended the Governor of Nasarawa State for providing the land for the initiative.

The VP also said that the partnership between the NSIA and the private sector is a demonstration that there are huge untapped potentials to invest in various sectors of the Nigerian economy.

At the commissioning, the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, lauded the agriculture intervention initiative of the NSIA, saying that it is very commendable.

The farm is supported by the NSIA in partnership with Signature Agri Investments.

Speaking at the event, Mrs. Ahmed also commended the foresight and the commitment of the NSIA in serving as a catalyst in galvanising tbe much-needed investments in the agriculture sector and its value chain.

Specifically, she applauded the company for staying with the NSIA to "make this investment a releasable one", and saluted the doggedness of the leadership of the NSIA for ensuring that the project is completed within a period of four years, despite the various challenges.

Mrs. Ahmed stated that President Muhammadu Buhari prioritises agriculture not just for increase productivity but for food security.

She said: "This is the kind of investment and project that we should continue to invest in and replicate in several other parts of our country, so that the community, like we have seen today here, can be engaged in production farming. The example of the increase in yield per hectare is amazing, and this should be encouraged."

She also noted that the decision of the NSIA to partner the private sector in investing in agriculture is in line with the food security agenda of the federal government, promising that the Federal Ministry of Finance, Budget and National Planning, would continue to support the NSIA as it forges ahead into various other investments, and also encourage the NSIA to invest more in agriculture.

The Honourable Minister described the Pandagric farm as the largest maize farm in Nigeria and commended the Governor of Nasarawa State, Mallam Abdullahi Sule, for providing the land for the farming project.

Mrs. Ahmed further said that the partnership between the NSIA and private sector is a demonstration that there are huge untapped potentials to invest in various sectors of the Nigerian economy.

The Honourable Minister in her comments expressed satisfaction over the NSIA's commitment of more resources to the agriculture sector both in terms of direct investment and co-investments.

"The Panda feed mill and its accompanying storage facility and mechanised farming system underscore the need for significant private sector investments in the country.

"With the modest co-investment of $50million contributed in equal part by NSIA and its partner Signature Agric Investment, the output from the farm has increased by over 60 percent in the last two years.

"I congratulate the management of the NSIA and their partners, Signature Agric Investments. Agriculture has a massive social and economic footprint. So, I expect that we will see more investments from the NSIA in this sector on a much larger scale," she added.

Earlier in his remarks, the chief host of the event and the Governor of Nasarawa State, Mr. Abdullahi Sule applauded the partnership between NSIA, Pandagric and Signature Agri Investments, noting that the partnership would transform the economy of both the state and Nigeria.

He noted that, as a state, his administration has taken deliberate steps in stimulating the agric sector due to its job creation potentials. The Governor also said that his administration has instituted various initiatives aimed at making the state more attractive for businesses to thrive.

In his remarks, Mr. Uche Orji, Managing Director (MD) of NSIA, noted the surmountable challenges that bedeviled the project from the outset. He solicited more government support in the areas of road infrastructure, communications and power. He thanked the ministers of Environment and Agriculture for their support and understanding.

Mr. Orji also said that the Authority, since 2016 has been investing in the agricultural sector through the provision of a $200million fund set aside for that purpose. He said that the sector is one of the key focus sectors for the NSIA and an important area for the Nigerian economy, with high potentials for employment generation, poverty alleviation and food security.

According to him, the Authority seeks to leverage on the potential of Nigeria's agricultural sector to develop it in a manner that would ensure increased production.

This, he stated, would assist in boosting the satisfaction of local demand, as well as the development of requisite infrastructure to ensure improved product quality, facilitate import substitution and generate foreign exchange earnings from the exportation of agricultural produce.

Mr. Orji said that the farm is currently cultivating 1,200 hectares, adding that by next year, the objective is to increase that to 2,400.

He commended the Governor of Nasarawa State for providing the enabling environment for the investment to thrive and the people for their support and cooperation.

He also said that the farm is currently supporting about 500 smallholder farmers and has created jobs for the people of the state.

He said: "The dedication shown by our partners is something really amazing. They focused here and had a plan with us and immediately started to execute which has culminated in today's commissioning of the project.

"Your excellency, thank you for the commitment to issue us land. The support we have received from your state, from you in particular and the community, is second to none, because each time I come, they say no issues with communities.

"The herdsmen community here are very cooperative with us, and there has not been any single issue that we have had operating here. The relationship with the community balances with management and we always seat to resolve issues. That is welcoming for us as investors.

"We are going to eventually get to 16,000 hectares of this area, enable a lot of small holder farmers with the proceeds. Obviously, a lot of investment has gone into equipment and we will try to aggressively impact the community.

"There is a lot we will do, apart from this small holder farmer, and that will continue to expand, and you will see also how we will clean and regenerate the community.

He said that under the plan for the project, there will be the planting of 100,000 trees a year.

He, however, urged the federal government to address some of the challenges faced by investors in the country. Specifically, he listed the movements of trucks from Lagos to Nasarawa, the issue of poor telecommunication network, power supply issue and road as some of the immediate challenges facing the project.

He stated further that the NSIA would continue to work with the government and other stakeholders to further unlock the potentials in other critical sectors of the economy.

The NSIA chairman, Mallam Farouk Gumel, noted the mandate of the NSIA, which is to develop infrastructure and promote inclusion. "We have always believed in partnership and we are here today to witness that clear idea of partnership. This partnership is between the government and a community, and also between the people, organisations and the government. The local government has been fantastic, the traditional ruler and the Governor have been forthcoming and, therefore, we are commissioning a fantastic project."

In the same vein, Mallam Gumel stated that to drive the agricultural intervention vision further, the NSIA Board has recently approved the establishment and seeding of a new Naira denominated agriculture fund.

He said that the fund would serve as a conduit for pooling significant sums of local currency capital for the development of projects designed for export produce and foreign currency revenue generation.

He explained further that the formal operationalisation of this facility is the beginning of the Authority's push to actively participate in the sector as an operator and institutional investor.

He also said: "Agriculture remains one of the largest economic sectors in Nigeria contributing an average of 24 percent to the nation's gross domestic product (GDP) over the past seven years.

CONTINUES ON PAGE 4

Osinbajo Commissions NSIA-Backed Pandagric Novum Farm

CONTINUES FROM PAGE 3

"In four years, 2017–2021, Nigeria's cumulative agricultural imports stood at N3.35trillion, four times higher than the agricultural export of N803billiosn within the same period. This confirmed that there is significant domestic demand which the discerning investor can harness.

"Armed with all the foregoing data, the Board chairman held the view that if we change the structure in agriculture and create systems that enable the sector to thrive, then NSIA can play its part in making the sector truly catalytic and able to channel Nigeria's productive capability in this non-oil sector.

"Reviewing this data, we came to the conclusion that agriculture is a double-edge sword. If enhanced, it can become an economic driver. However, where the sector is neglected, it could become a threat to food security and leave the economy open to exploitation.

"To expand agriculture beyond subsistent practice and to ensure that the sector is scalable, successive Boards of the NSIA have made investments in the sector such as the Fund for Agriculture Finance in Nigeria in 2014 and Babban Gona in 2018, while also managing the Presidential Fertiliser Initiative established by Mr. president from 2016. We intend to continue investing in the sector."

He said that the facility represents the next phase in the NSIA's investment approach where it will begin to co-invest directly in scalable domestic agriculture projects.

"Our investment in Pandagric was to drive infrastructure expansion as well as the implementation of technology and regenerative farming techniques. Today, we see our investment come to fruition as we commission this state-of-the-art facility.

"We are confident that with the quality of management in place and the continued investment for expansion, this facility will only serve as a proof of concept for further investments in agriculture."

Vice President, **Prof Yemi Osinbajo,** Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** Executive Governor of Nasarawa State, **Engr. Abdullahi A. Sule,** Managing Director & Chief Executive Officer, NSIA, **Mr. Uche Orji,** and other delegates in the midst of members of staff during the commissioning of NSIA-Backed Pandagric Novum Farm recently.

Mr. Bruce Spain, MD/Chief Executive Officer (CEO) of Pandagric Novum Limited, in his speech said that the commissioning of the facilities "is the living proof that Nigeria is able to develop a fully integrated agricultural value chain."

"We shall continue to achieve up to 5000 ha farming production under our own control and engage at the same time with more small holders to create a win-win scenario. Access to knowledge and market is an important element.

Mr. Spain noted: "Training, education, implementation of hi tech agric technology, close ties with the wonderful supportive communities and their empowerment are key ingredients of this process of transformation here at Pandagric Novum. Since the start of our collaboration, it has been our common goal to achieve the important milestone that we are celebrating today. But we also know our ambitions do reach out much wider. Together with our shareholder, Old Mutual Investments Group, we are proud and honoured to have a strong partnership with NSIA."

Mr. Spain also said that the provisions of an enabling environment for investors was responsible for the success of the partnership. He added that with the partnership between the company and NSIA, the business of agriculture is being revolutionise.

He said that the business is focused on ensuring that the nation's poultry farmers have the highest quality feeds.

According to him: "Some of the key milestones achieved under this project are: the installation of a 147,000 metric tons per annum capacity poultry feed mill; the installation of 75,000 tons of storage infrastructure in the form of two silos, six bunkers, as well as 35,000 tons of raw material and finished goods storage; the installation of 750ha of center pivot irrigation systems; the leasing of 3,500 ha of land for the cultivation of maize and soybeans.

"There is also the construction of a 1.4 million cubic meter reservoir for water management; and the successful planting of 856ha of maize in the 2021 wet farming season, and now, as you may have seen as you arrived, 1,200ha of maize during the 2022 wet farming season.

"In addition to these commendable achievements, Pandagric have also built bore holes for all six of its neighbouring communities. It has developed an out-grower scheme, providing inputs and training to over 500 small holder farmers; employs almost 600 direct staff and 2,000 indirect staff, making it the largest contributor of pay-as-you-earn (PAYE) to Nasarawa State."

Also speaking at the event, MD of Signature Agric Investments, Theo Van Der Veen, among other top officials in the private and the public sector of the Nigerian economy, noted that Pandagric Novum was born out of the partnership between the NSIA and Old Mutual through the Signature Agric Investments.

He said that the company is to fulfil the vision of being the catalyst for change in agriculture with the mission, through continuous innovation, to redefine the concept of feeds, foods and farming, while having positive impact on employees, communities, customers, suppliers and the environment, to enhance shareholder value.

The event was attended by the Vice President of Nigeria, Prof. Yemi Oshinbajo, Governor of Nasarawa State, Mr. Abdullahi Sule, Minister of Environment, and top officials in the private and the public sector of the Nigerian economy.

President Buhari Approves Appointment Of Executive Mgt Of NSIA

By Jennet Ugo Anya

The appointment of a new Managing Director (MD)/ Chief Executive Officer (CEO) and two new Executive Directors of Nigeria Sovereign Investment Authority (NSIA) has been approved by President Muhammadu Buhari.

The appointment of the new MD follows the expiration of the tenure of the erstwhile MD, Mr. Uche Orji, whose tenure expired on the 30th of September, 2022 after serving two five-year terms, following his appointment on 2nd October, 2012.

Those appointed comprise Aminu Umar-Sadiq, as the new MD/CEO, Mr. Kolawole Owodunni, Executive Director, and Mr. Bisi Makoju , Executive Director, all of the NSIA.

President Muhammadu Buhari

Section 16(3) of the NSIA Establishment Act 2011 specifies that the Executive Nomination Committee (ENC) be constituted to begin the process of recruitment and selection process for the replacement of Mr. Orji, the MD, and the Executive Directors.

Aminu Umar-Sadiq, who is currently an Executive Director and Head of Infrastructure, has a Bachelor's and Master's degrees in Engineering Sciences from University of Oxford (Saint John's College), Oxford, United Kingdom (UK).

He is Archbishop Tutu Leadership Fellow (ATLF) and also Mandela Washington Fellowship (MWF).

Umar-Sadiq commenced his professional career in Mergers and Acquisitions M&A) focused on Infrastructure and Energy at Morgan Stanley Investment Bank, proceeding to Infrastructure focused private equity at Denham Capital Management, all in the UK.

He has worked on several projects including Presidential Fertiliser Initiative, an import substitution program for the delivery of 1 million high quality, lower cost to farmers at lower cost metric tons of fertilizer. He was also a part of the Presidential Infrastructure Development Fund, an investment fund focused on the actualisation of five strategic nationwide projects in the transportation and power sectors.

He has a vast experience in investment and infrastructure industry.

Mr. Bisi Makoju is a financial expert with vast experience in financial risk management, while Mr. Kolawole Owodunni is a professional of 18 years standing in the financial services sector, with emphasis in investment management, risk management and treasury. They are all expected to help steer and transform the insurance industry and propel the sector to a high pedestal.

Finance Ministry, Agencies To Support DBN, Public, Private Sectors Through Fiscal Policy – Ahmed

By Edmond Martins

The Federal Ministry of Finance, Budget and National Planning and all its agencies stand ready to utilise the fiscal policy tools at our disposal to support the Development Bank of Nigeria (DBN) and other public and private sector actors working towards the common goal of ensuring micro, small and medium enterprises (MSMEs) become key drivers of Nigerian economic growth, according to Mrs. Zainab Ahmed, Honourable Minister of Finance, Budget and National Planning.

In her speech at the DBN's 3rd Annual Lecture Series themed: 'Thriving in the Face of Domestic and Global Disruptions' recently in Abuja, she also said that she is looking to see that MSMEs could create sustainable and livelihood-enhancing jobs for the segments of the Nigerian working population that is prone to vulnerability.

She stated: "With the disruptive effects of the Russia-Ukraine war on the economy and its consequent impact on the cost of doing business, difficulties facing MSMEs have increased significantly. It is important that the DBN step up to the plate and expand its funding windows to provide affordable financing to a wider cross-section of MSMEs."

On government programmes targeted at ensuring the growth of MSMEs, Mrs. Ahmed said: "The administration of President Muhammadu Buhari is deeply committed to providing support to MSMEs as evidenced in the emphasis placed on ensuring their continued operations during the early months of the COVID-19 pandemic which led to the temporary

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

closing down of 53.2 percent of SMEs and 37.3 percent of MEs."

In the development of the Economic Sustainability Plan (ESP), some of the provisions to support MSMEs include a N250-billion grant containing a N50-billion MSME de-risking facility component; a payroll support scheme providing up to N50,000 in monthly salaries for up to 10 staff of qualifying businesses for a duration of three months - 1.3 million jobs have been retained through the MSME and payroll support; a one-off grant of N30,000 for 333,000 self-employed persons working as transporters and artisans under the artisan and transport scheme.

Other provisions to support MSMEs also include a-N50,000 grant for 100,000 MSMEs; provision of financial backing - up to N191 billion in loans - to 34,144 MSMEs, and capacity building of 125 MSMEs and loan guarantees for 1,748 businesses to the tune of N6.2 billion etc.

In view of measures to enhance local production and value-added export and the catalytic role of MSMEs in local production activities, government, she said, "has prioritised policy support for the robust growth of MSMEs in the National Development Plan 2021-2025 across the key sectors of the economy.

"We also recognise the need to ensure MSMEs are positioned to take advantage of the African Continental Free Trade Area (AfCFTA) and the opportunities it presents, and the Ministry of Finance, Budget and National Planning is collaborating with the Federal Ministry of Trade and Investment, Nigerian Export Promotion Council and other relevant ministries, departments and agencies (MDAs) to remove critical binding constraints to entry of MSMEs into export markets.

"The ministry will also continue to support other MDAs through programmes such as the FGN Special Intervention Fund for MSMEs under the National Enterprise Development Programme, the Government Enterprise and Empowerment Program (GEEP) and various funds and products managed by the Bank of Industry (BOI).

Considering fiscal policy actions to support MSMEs, Mrs. Ahmed cited a report jointly released by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the National Bureau of Statistics (NBS) in January 2022, saying that MSMEs accounted for 96.7 percent of businesses and contributed 46.3 percent to Nigeria's gross domestic product (GDP).

"However, they only account for 6.2 percent of gross exports. The relatively low contribution of MSMEs to exports is concerning, given their significant contribution to nominal GDP and for this reason, urgent steps are being taken to alleviate the binding constraints limiting MSME participation in cross-border trade.

"The main policy tools utilised by the Federal Ministry of Finance, Budget and National Planning in supporting the growth of the MSME sector are the annual Finance Acts. We have successfully facilitated the approval and implementation of three Finance Acts and have reached an advanced stage in the preparation of the 2022 Finance Act.

"The Finance Acts are an omnibus bill to amend relevant tax, excise and duty statues, and we have used them to introduce measures that reduce the tax burden on MSMEs and create opportunities for participation in export markets.

Among others, some of the key provisions, according to her, include amendment of Section 40 of CITA to grant tax exemptions to small businesses and lower the tax rate on the taxable profits of medium-sized companies to 20 percent - Section 16 of the 2019 Finance Act.

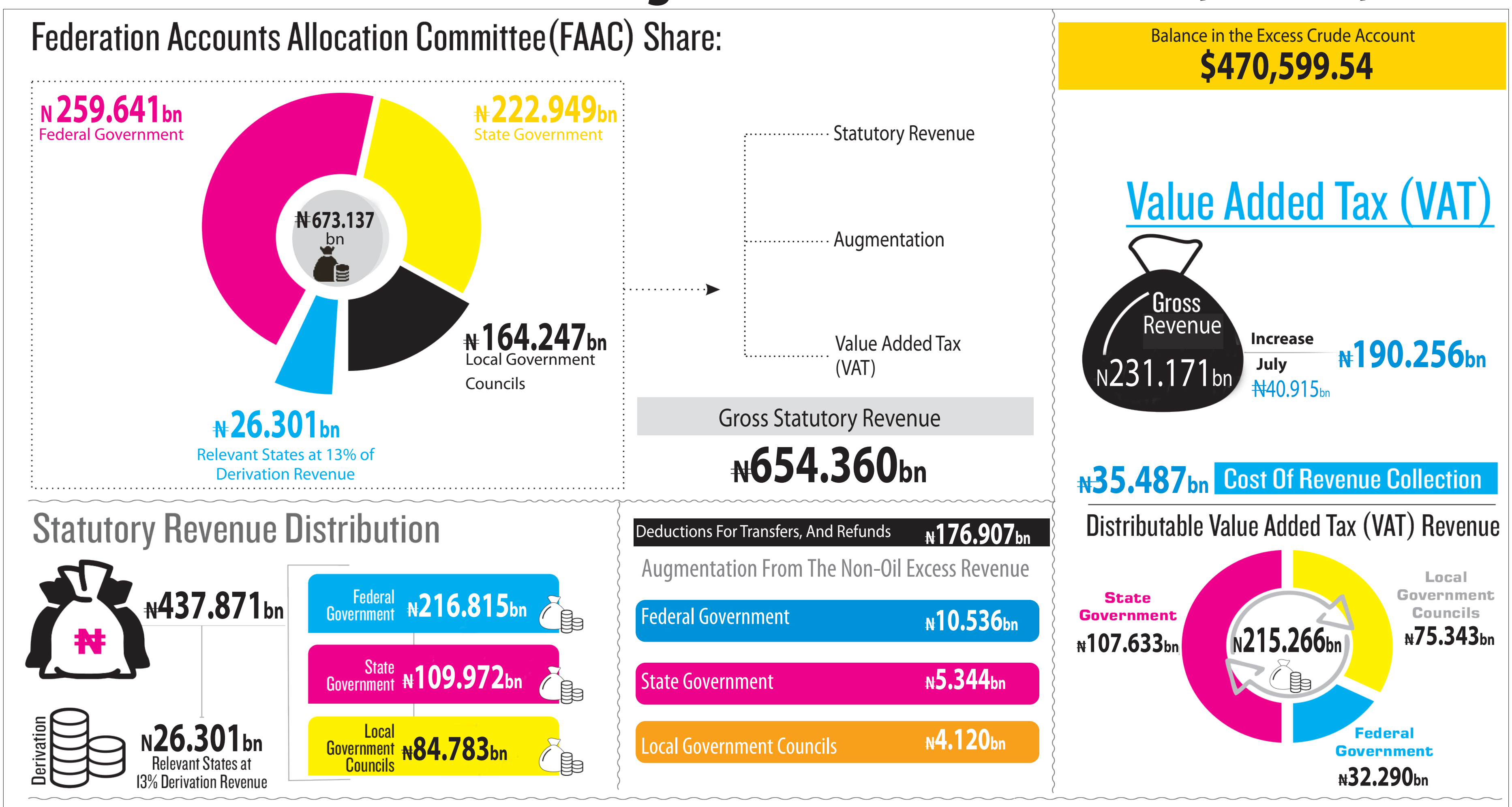
Further policy actions in support of MSMEs are, she stated, being considered as work progresses on the preparation of the Finance Act 2022 for the 2023 fiscal year.

Speaking further on the impact of MSMEs and the need to help them get funding, the Honourable Minister also said: "According to the International Finance Corporation (IFC), between 70 and 95 percent of new employment opportunities in emerging economies are created by MSMEs.

"To ensure their effective contribution to the economy, it is imperative to ensure MSMEs are supported in the acquisition of skills and tools to run their businesses efficiently, manage risks and gain access to finance at competitive and affordable rates.

"The World Bank Group estimates the finance gap among formal MSMEs in developing economies to be 18 percent of GDP with potential demand for financing among informal MSMEs as high as 11 percent of GDP. This underscores the important role played by the DBN in facilitating access to finance and with a total loan disbursement of N482 billion to 208,000 MSMEs in 2021, of which 27 percent are youth-owned while 66 percent are owned by women, the DBN continues to be a major driver of MSME growth in Nigeria.

FAAC Shares N673.137 bn August 2022 Revenue To FG, States, LGCs



According to the Communiqué, in the month of August 2022, Value Added Tax (VAT), Import and Excise Duties recorded significant increases. However, Petroleum Profit Tax (PPT), Companies Income Tax (CIT), Oil and Gas Royalties decreased considerably.

EDITORIAL

Policy Makers Should Concentrate On Measures To Improve Domestic Revenue Mobilisation

CONTINUES FROM COVER

facility, following reports of a 'sheen' in the vicinity of the facility, a number of other facilities had also been negatively impacted. The Nigerian oil sector has continued its struggle even as Nigeria played second fiddle again to Angola as Africa's largest crude producer.

The country is also projecting to spend over N6 trillion of petrol subsidy next year, which had been widely described as a drain on the economy.

It appears the government might borrow to fund expenditure in the 2023 budget, as the deficit was projected to be, at most, over N12.41 trillion next year or at least N11.3 trillion, which is over 100 percent of the N7.35trillion deficit for the 2022 fiscal year.

Following the revelation that the country's debt service cost in the first quarter (Q1) 2022 was N1.94 trillion, N310 billion higher than the actual revenue received during the period, we ask the government to implement a stronger operational framework, ensure price stability in order to combat inflation in Nigeria. This is because there is need to broaden growth and ensure private sector recovery.

Nigeria's recent purchasing managers' index (PMI) is at 52.3, specifically in August, which is a slight moderation from the 53.2 recorded in the previous month. This has signalled expansion in business conditions in Nigeria's private sector.

We reason that with the planned commencement of operations of Dangote Refinery in 2023, the effective implementation of the Finance Act 2021, and the Strategic Revenue Growth Initiative (SRGI), there would be positive growth in the economy.

It is notable that this year, the economy has suffered setbacks, such as high food and energy prices hikes, spending pressure within narrow fiscal space, persisting insecurity, particularly banditry and kidnapping, and monetary tightening, even in advanced economies as a result of obvious global challenges of COVID-19, climate change and Russian-Ukraine war.

It is also notable that to safeguard financial stability, there was need for regulatory vigilance, timely actions against undercapitalised banks, and introduction of additional macro-prudential instruments.

We are concerned over the structural challenges in the country, and we call for more efforts to reduce corruption vulnerabilities and improved government efficiency, civil service reforms, and sustain accountability of COVID-19 spending.

Of course, developments in the country call for bold trade and agricultural reforms for inclusive recovery, as we are facing high inflation all over the world, with interest rates in the major economies rising significantly.

One of the major problems in the Nigerian agricultural sector, just as in developing economies, is inadequate capital, despite its centrality to growth and development. Apparently, there is the need to appreciate the long-run relationship between domestic revenue mobilisation and agricultural productivity in Nigeria. Considerably, there is also the need to maximise benefit from tax revenue and ensure that resources are allocated to prioritise right sectors such as the agricultural sector, just as the President Muhammadu Buhari-led administration has noted the need for public finance reforms to increase government revenue and promote growth in the agricultural sector by enhancing the quality of the tax system in the country. The government has accordingly looked inward to fiscal and monetary policies that can help increase revenues to both recover from the immediate crisis and restore progress in the country. To achieve necessary increases in tax revenue, the government has put in place policies that increase efficiency and equity in revenue collection and expenditure.

In view of this, it is quite satisfying that this administration has indeed considered revenue mobilisation as an excellent choice for the development of the economy of Nigeria.

FIRS Says Entrepreneurship Hubs Hold Key To Nigerian Economy

By Musa Ibrahim

Entrepreneurship and industrial hubs across the federation hold the key to Nigeria's economic development, according to the Executive Chairman of the Federal Inland Revenue Service (FIRS), Mr. Muhammad Nami.

Mr. Nami, in a recent statement by Mr. Johannes Wojuola, Special Assistant (Media & Communication) to the chairman, noted that the adoption of the model would create all-round economic transformation.

In his Goodwill Message to Nigerians on the occasion of the country's 62nd Independence Day anniversary, Mr. Nami urged Nigerians to invest in creating entrepreneurship and industrialisation hubs as such hold the "key to unlock the massive economic potentials of the country."

He called on state governments to emulate the Ondo State's Entrepreneurship Village which was set up to groom and harvest talents for the industrialisation of the state.

The chairman also called on other state governments to set up similar hubs in their states as a way of channelling the energies of young Nigerians to productive use.

Mr. Muhammad Nami, Executive Chairman, FIRS

He said: "Nigeria is a country with limitless potentials. We are a resilient and talented people, and what these young Nigerians need is the enabling environment to thrive.

"A good place to start is the setting up of entrepreneurship and industrial hubs across every state in the country. This would set off a chain-reaction that would turn around the fortunes of the country, and tap into the potentials of our vast young and dexterous population."

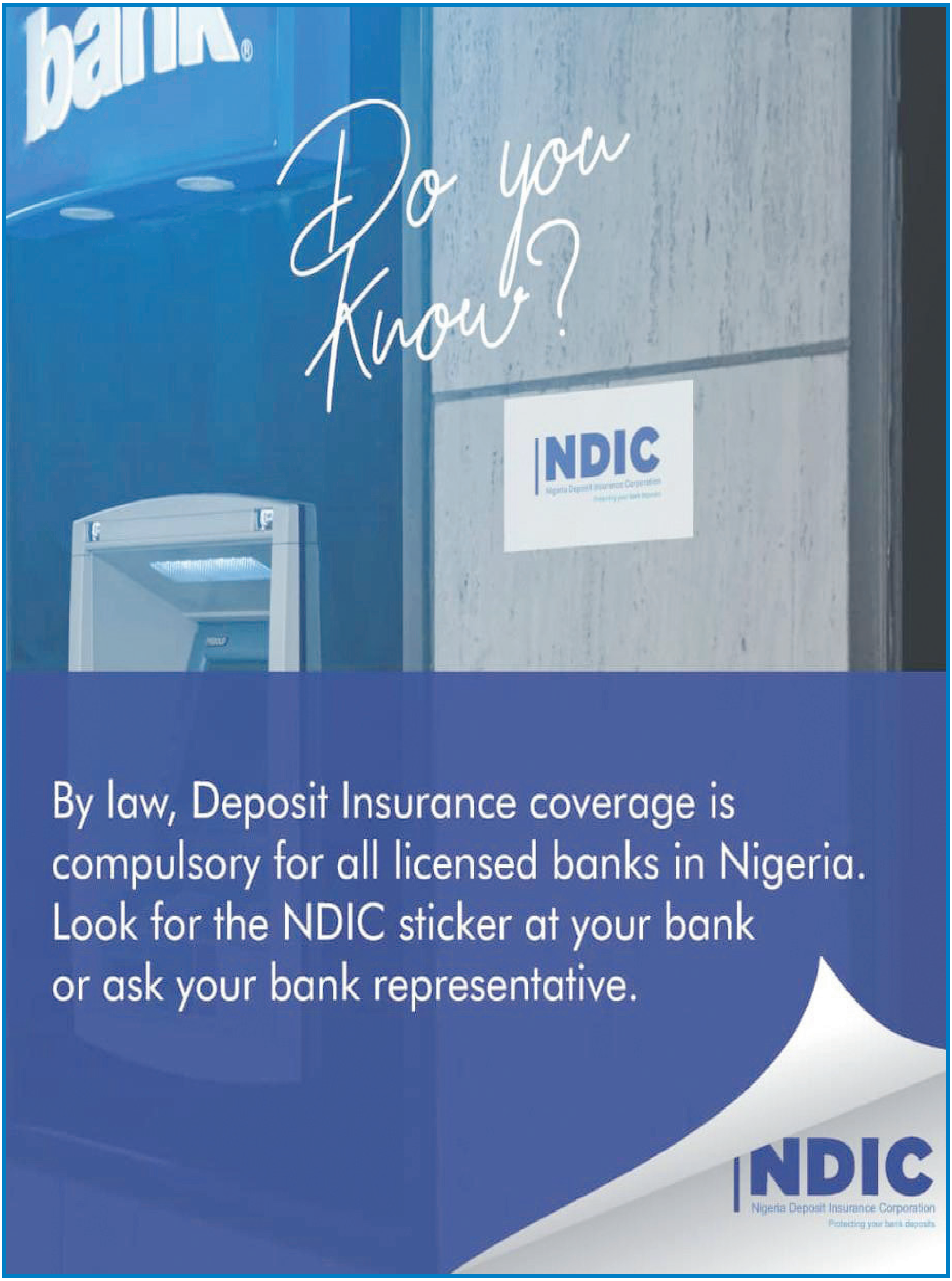
Mr. Nami called on the various state governments to adopt and deploy this model as a strategy to tackle issues of unemployment and insecurity, while spurring economic activities in their states.

"The model will take young people away from the streets and put them into productive activities.

"You will be surprised at the amount of jobs that would be created. Multitudes would have their lives changed, and an abundance of economic activities would be sparked across the nooks and crannies of our country in an unprecedented manner. Nigeria has what it takes to lead the world, and this is one way to go," Mr Nami said.

The FIRS boss also tasked Nigerians to see themselves as the drivers of the country's development through their patriotic conducts, such as the paying of taxes.

He said: "I am a firm believer that each of us has a role to play in building the Nigeria of our dreams. But, we can only achieve this when we are patriotic and carry out civil obligations expected of us, such as respect for law and order, paying our taxes, and loyalty to our country."


bank®
Do you Know?
NDIC
By law, Deposit Insurance coverage is compulsory for all licensed banks in Nigeria. Look for the NDIC sticker at your bank or ask your bank representative.
NDIC
Nigeria Deposit Insurance Corporation
Protecting your bank deposits

NEWS IN PICTURE

The Honourable Minister of Finance, Budget and National, **Mrs. Zainab Ahmed,** hosted the Inaugural Meeting of the Governing Council of the Unclaimed Funds Trust Fund. The following are members of the Council.

NEWS IN PICTURE

CBN Says N2.6 trn Spent On Interventions In 3 Critical Sectors Of Economy

• Directs Banks To Comply With 32. 5% CRR • Increases Interest Rate To 15.5%

By Majeed Salaam

The Central Bank of Nigeria (CBN) has said that it has spent close to N3trillion in intervention funding into three critical sectors of the economy through its various non-oil policies and exports.

Giving details, in his speech, Mr. Godwin Emefiele, Governor of CBN, said: "The economy has thus maintained continuous growth for seven consecutive quarters, following its exit from recession in 2020.This consistent positive performance was driven largely by the sustained growth in the non-oil sector, particularly services and agricultural sub-sectors, supported by continued policy interventions, as well as credit expansion to the private sector. Members urged the bank not to relent on the various policies put in place to support non-oil exports to shore up external reserves.

"Under the real sector facility (RSSF), the bank released the sum of N66.99 billion to 12 additional projects in manufacturing and agriculture. Cumulative disbursements under the RSSF currently stood at N2.10 trillion disbursed; under the 100 for 100 policy on production and productivity (PPP), the bank disbursed the sum of N20.17 billion in healthcare, manufacturing, and services, bringing the cumulative disbursement under the facility to N93.39 billion.

Furthermore, under the PPP, the CBN disbursed the sum of N20.17 billion to 14 projects in healthcare, manufacturing, and services, bringing the cumulative disbursement under the facility to N93.39 billion to 62 projects.

Also in the healthcare sector, N4.00 billion was disbursed to two healthcare projects under the healthcare sector intervention facility (HSIF), bringing the cumulative disbursement to N130.54 billion for 131 projects, comprising of 32 pharmaceuticals, 60 hospitals and 39 other services.

Under the export facilitation initiative (EFI), the bank funded several commodity projects in the non-oil export segment for value-addition and production to the tune of N3.24 billion, aside the N50.00 billion disbursed through the Nigerian Export Import Bank (NEXIM).

In the Micro, Small and Medium Enterprise (MSME) sector; under the tertiary institutions entrepreneurship scheme (TIES), bringing the total disbursement under this intervention to N332.43 million," he said.

"In the MSME sector, the apex bank supported entrepreneurship development with the sum of N39.26 million under the TIES, bringing the total disbursement under this intervention to N332.43 million. Under the intervention facility for the national gas expansion programme (IFNGEP), the bank disbursed 1.00 billion to support the adoption of compressed natural gas (CNG) as the preferred fuel for transportation and liquefied petroleum gas (LPG) as the preferred cooking fuel," he added.

Mr. Godwin Emefiele, CBN Governor

In a bid to curb inflation, the CBN has raised the Monetary Policy Rate (MPR) to 15.5 percent, from 14 percent. Mr. Emefiele disclosed this while briefing the press at the end of the 5th Monetary Policy Committee (MPC) meeting in 2022, in Abuja, recently.

He also announced an increase in the cash reserve ratio (CRR) to a minimum of 32.5 percent from the July CRR of 22.5 percent, while retaining liquidity ratio at 30 percent."

Mr. Emefiele said: "The committee voted unanimously to raise the MPR...The MPC voted to raise the MPR to 15.5 percent, retain the asymmetric corridor at +100 -700 basis points around the MPR. Increase the CRR to a minimum of 32.5 percent and retain liquidity ratio at 30 percent."

On why the rate was raised, he said: "Members deliberated the impact of the widening margin between the current policy rate of 14 percent and the inflation rate of 20.52 percent.

"At this meeting, the option of reducing the policy rate was not considered as this would be gravely detrimental to reigning in inflation. The committee thus agreed unanimously to raise the policy rate to narrow the interest rate gap and rein in inflation. The committee thus voted unanimously to raise the MPR.

Explaining further why the committee raised the rate, the governor said: "The MPC noted with concern the continued aggressive movement in inflation, even after the rate hike at its meeting in May and July 2022, and expressed its unrelenting resolve to restore price stability, while providing the necessary support to strengthen the fragile recovery.

The governor said that members deliberated on the impact of the widening margin between the current policy rate of 14 percent and the inflation rate of 20.52 percent.

"The Committee thus voted unanimously to raise the MPR and the CRR. 10 members voted to raise the MPR by 150 basis points, one member by 100 basis points, and another member by 50 basis points. 10 members voted to increase the CRR by 500 basis points, while two members voted to increase CRR by 750 basis points."

Explaining further, Mr. Emefiele said: "Our research study at central bank has shown us that once inflation trends above 13 percent, it will retard growth. We have seen inflation in the last four months move so aggressively in Nigeria.

"It is difficult for us, for this MPC with all the data available, with all the research that has been conducted; it is difficult for us not to go in a very aggressive way that we decided to go today.

"What we have done at this meeting is to say that we will move CRR up by five percent to a minimum of 32.5 percent; that we will move MPR up by 150 basis points. That means over the last four months, we moved MPR up by over 400 basis points.

"But at the same time, let us not forget that the inflation rate in Nigeria at 20.5 percent is still higher than our policy rate which means we are still in the realm of negative interest rate which remains injurious to the economy."

The governor directed all banks to comply with the new CRR by adequately funding their account, latest on Thursday, saying that CBN would ensure that each bank complies, latest tomorrow.

"Any bank that fails to fund their CRR to 32. 5 percent by Thursday may be stopped from participating in the FX market," he said, adding, "we must mop up liquidity out of the vaults of the banks."

Mr. Emefiele said that there was no guarantee that the CBN would not continue to raise rates, if the inflation rate continued to trend upwards, particularly given the fact that at over 20 percent, the inflation rate remained much higher than the interest rate.

He was, however, optimistic that the impact of the increase in the MPR could have a significant impact on a decelerating inflation rate in the next two to three months.

The governor also disclosed that the apex bank has disbursed a whooping N9 trillion in various interventions in its efforts to stimulate growth across various sectors of the nation's economy.

He said that despite the decision to reduce money in circulation, his team would continue to fund special interventions, although at a lower scale.

Mr. Emefiele noted that the broad-based insecurity across the country, which continues to dampen production activities, legacy structural factors such as the inadequate state of critical infrastructure, high cost of importation of essential grains, such as wheat, and increased demand for money associated with the forthcoming electoral campaign season were factors driving inflation in the country.

In a bid to curb inflation, the CBN has raised the Monetary Policy Rate (MPR) to 15.5 percent, from 14 percent

NDP Requires About N348.1trn Investment Commitment - Ahmed

By Ahmed Ahmed

While the National Development Plan (NDP) will require an investment commitment of about N348.1 trillion (US$837 billion) with private sector contribution of about 86 percent anticipated by 2025, the Revised National Integrated Infrastructure Master Plan (2020-2043) is a US$ 2.3 trillion plan to modernise Nigeria's infrastructure stock over the next 21 years.

This was recently said in Abuja by the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, at the Nigerian Institute of Architects (NIA) integrated infrastructure research for development conference and national development plan program launch themed 'Government Perspective on Integrated Infrastructure Development.'

According to her, these are daunting investment targets but they represent the base level requirement to build the modern, industrialised Nigeria desired for present day Nigerians and future generations.

By developing the blueprint by which the infrastructure plans developed by government can be executed, through its research on infrastructure development and the formulation of sectoral infrastructure master plans aimed at building sustainable world class cities in Nigeria, the NIA, according to Mrs. Ahmed, is living up to its profession.

In her words: "By taking this proactive step to partner with the federal government to rally private sector participation in the actualisation of the Revised National Integrated Infrastructure Master Plan (2020-2043) through the lens of the overarching NDP for 2021 to 2025, the NIA is setting a laudable example for all professional organisations, on how to come alongside the government to build the Nigeria we desire."

L-R: Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** Honourable Minister of State, Budget and National Planning, **Prince Clem Agba,** Honourable Minister of Water Resources, **Engr. Suleiman Adamu** at the Nigerian Institute of Architects (NIA) Integrated Infrastructure Research for Development Conference and National Development Plan Program

She expressed government's delight at the NIA taking ownership of driving the implementation of national policies for infrastructure development in Nigeria as a strong partnership between the government and the private sector, as enshrined in the development of these plans.

Mrs. Ahmed commended the NIA, under the leadership of Architect Enyi Ben-Eboh, for driving the conversation and leading the way on how professional organisations could effectively partner with government for national development.

Speaking on the critical infrastructure development in Nigeria, she noted that at the very heart of the policy agenda for this administration is investment in critical infrastructure to create the physical structures in which Nigerians could build their families and engage in business activities.

Mrs Ahmed stated: "These structures also create the enabling environment in which domestic and foreign capital can catalyse growth, so Nigeria can join the ranks of advanced industrialised societies.

"Our focus on infrastructure is extremely costly but this has not deterred the federal government, under the leadership of President Muhammadu Buhari, from prioritising the strategic use of our limited resources in initiating vital new projects and bringing to completion legacy infrastructure projects that had been chronically underfunded in key sectors such as power, rail, road, housing, agriculture, amongst others.

She also stated: "As architects, you know it is impossible to build without a master plan. For this reason, we revised the National Integrated Infrastructure Master Plan, developed and implemented the Economic Recovery and Growth Plan (ERGP) for 2017 to 2020 and its current successor plan, the NDP for the 2021 to 2025 period through an extensive consultative process with all key stakeholders, including the private sector.

"We also created several innovative approaches to financing and delivering infrastructure projects by ring-fencing resources and deploying them in key areas of concerns.

The Honourable Minister noted that the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (RITCS) launched in 2019 was to leverage private sector capital via tax credits and private sector expertise to construct, repair and maintain critical road infrastructure in key economic corridors and industrial clusters in Nigeria.

She also noted that 33 road projects have been approved and are at various stages of construction, further noting the use of Sukuk Bonds to finance the rehabilitation and reconstruction of road projects across the six geopolitical zones and the Federal Capital Territory (FCT).

Mrs. Ahmed said that four Sovereign Sukuk bonds worth N612.56 billion have been issued thus far and the funds deployed in several road projects across the country.

She made reference to the deployment of the Nigeria Infrastructure Fund (NIF) through the Nigerian Sovereign Investment Authority (NSIA) to fund key projects in healthcare, education, agriculture, financial services, and housing.

She also noted the flagship projects which include the Presidential Fertiliser Initiative (PFI) and key road projects such as the Lagos-Ibadan Expressway (LIE), Second Niger Bridge Project and Abuja-Kano Road (AKR) "which had been severely underfunded for years, but will be brought to completion by this administration."

Mrs. Ahmed highlighted the Presidential Power Initiative (PPI) designed to modernise and increase the electricity grid capacity from about 5GW to 25GW over three phases through a partnership between the Nigerian and German governments.

According to her, progress has been made towards the realisation of 2GW under Phase 1 of the PPI with the first batch of critical transformers already in Nigeria and 10 mobile substations arriving in the fourth quarter of 2022 or early 2023.

FG Approves RSA Holders' 25% For Housing Mortgage As Real Estate Operators Applaud Govt.

By Felix Omoh-Asun

The federal government, through the National Pension Commission (PenCom) has approved guidelines on accessing retirement savings account (RSA) balance for payment of equity contribution for residential mortgage by RSA holders.

To this end, operatives in the real estate development and mortgage industry have praised government on the approval of guidelines by PenCom, allowing RSA holders to access 25 percent of their savings for residential mortgage.

The highlights of the guidelines cover pension contributors in active employment, either as a salaried employee or as a self-employed person. According to the guidelines, interested RSA holders (applicants) must have been offered letter for the property duly signed by the property owner and verified by the mortgage lender.

The RSA of the applicant shall have both the employer and employee's mandatory contributions for a cumulative minimum period of 60 months (five years).

A contributor under the Micro Pension Plan (MPP) is also eligible, provided he/she has made contributions for at least 60 months (five years) prior to the date of his/her application.

Also eligible for the scheme see RSA holders who have less than three years to retire are eligible.

Married couples, who are RSA holders, are eligible to make a joint application, subject to individual satisfying the eligibility requirements.

The guidelines said RSA holders, if registered before 1st July 2019, must have their records updated through the RSA data recapture exercise; and

Application for equity contribution for residential mortgage shall be in person and not by proxy.

The maximum amount to be withdrawn shall be 25 percent of the total mandatory RSA balance as at the date of application, irrespective of the value of equity contribution required by the mortgage lender. Where 25 percent of a contributor's RSA balance is not sufficient for payment as equity contribution, RSA holders may utilize the contingency portion of their voluntary contributions (if any).

Meanwhile, operatives in the real estate development and mortgage industry have praised government on the approval of guidelines.

They acknowledged that the new policy would reinvigorate the mortgage and real estate sector, as well as boost homeownership among low-income earners and reduce housing deficit.

President, Real Estate Development Association of Nigeria (REDAN), Mr. Aliyu Wamakko, said that it would enable civil servants, who are in dire need of equity contributions to key into housing projects.

The Mortgage Banking Association of Nigeria (MBAN) in a statement issued by its President, Ebilate Mac-Yoroki, and Executive Secretary/CEO, Kayode Omotoso, urged the federal government to operationalise the Nigeria Mortgage Guarantee Company (NMGC), a credit enhancement platform, which it said was already being finalised by the FSS2020, a department of the Central Bank of Nigeria (CBN).

MBAN commended the initiative that resulted in the approval, saying it is one of the landmark steps and decisions for which the Muhammadu Buhari-led administration will be remembered, praising the Director-General of PenCom, Aisha Dahir-Umar, for her role in the approval.

"We are indeed glad and elated that this novel idea has finally become a reality. It commenced silently as an advocacy issue with PenCom that originated from MBAN, which thereafter was escalated to full advocacy issue by stakeholders on the platform of the former Nigerian Housing Finance Program (NHFP).

"With granting of the approval that allows Retirement Savings Account (RSA) holders to access 25 percent of their balance towards payment of equity for residential mortgage, government will be solving more than just the problem of housing, but will also be giving the economy a boost as many mortgage-related sectors, like construction and banking, will receive more vigour.

"As an association, which is directly concerned with the mortgage market, MBAN will, in its usual approach, be doing everything necessary to support government in ensuring that the primary target of giving the approval, which is eliminating the housing gap and creating an easy environment for beneficiaries to acquire their dreamed homes, is achieved to the adequately."

The association appealed to the federal government to give incentives to local companies in the business of manufacturing building materials like tiles, wires, cement, doors and other building accessories, saying it will help in reducing the cost of buildings, just as it will positively affect the economy.

The Managing Director, Nigeria Integrated Social Housing (NISH) Affordable Housing Limited, Dr. Yemi Adelakun, said that the new guidelines have the potential of brightening the hope of pension contributors to own homes of their dream.

"This policy should improve affordability and eligibility profile of housing off-takers and increase their chances of qualifying for mortgage. This will in turn invigorate the property market and reduce housing deficit for medium low-income earners. The multiplier effect of housing development on the growth of the economy in general and job creation in particular cannot be over emphasised.

According to him, there is need for strategic approach to the implementation of the guidelines for successful outcomes. "Also, control mechanisms should be in-built to avoid exploitation of the contributors in the process. A special purpose vehicle and fit for purpose financial instruments may be necessary to enhance optimal utilisation of the huge capital that will be unlocked by this pension for housing policy," he said.

Dr. Adelakun said that pension contributors should not be placed at the mercy of mortgage companies and developers. "There must be safeguards in place to ensure that equity contributions paid to mortgage banks towards purchase of properties are utilised for the intended purpose. There are known cases of payment made for properties that are never delivered.

"The use of escrow account may be a step in the right direction. The Federal Government Staff Housing Loans Board offering housing loan at three percent interest rate should be included among mortgage institutions approved for the purpose of paying pension for housing equity," he added.

DMO Preaches Investment In FG's Securities

By Albert Egbede

The Debt Management Office (DMO) has taken the message of investing in the federal government of Nigeria (FGN) security issuance to the streets.

In its awareness campaign in Umuahia, Ebonyi State recently, DMO said there was need for Nigerians to key into federal government's securities issuance.

The federal government, through the DMO, issues the bonds and makes periodic interest payments to the investors, while the principal is paid at the end of each tenor.

The government has various investment platforms like the FGN Bond, FGN Savings Bond, Treasury Bills, the Green Bond, the Sovereign Sukuk and Eurobond.

One function of these FGN securities is to raise capital to finance deficits in the budget, and also to raise funds to execute critical infrastructure projects.

They are backed by full faith and credit of the Federal Government of Nigeria, and are default risk-free.

The federal government securities also contribute to the development of the domestic capital market, The Office adding that they served as a benchmark for other private institutions to issue their own securities.

They enhance the savings and investment opportunities of the populace, thereby promoting financial inclusion.

They also attract foreign investors into the domestic financial market, to refinance maturing domestic debt and to diversify sources of funding for the federal government.

You can use them as collateral to obtain loans from banks and other financial institutions, and they help in diversification of investment portfolio.

They are also a source of steady income, as investors' interests are paid every six months or every three months, and they are tradable on the stock exchange.

The second product, the FGN Savings Bond, is designed with retail investors in mind.

It is issued every month, with a minimum subscription of N5,000 and in multiples of N1000, subject to a maximum of N50million.

The awareness campaign was the sixth in the series, as the DMO had in recent times taken the awareness programme to Lagos, Enugu, Ibadan, Kano and Yola.

According to Ms Patience Oniha, the Director-General (DG) of DMO, the programme is initiated to intimate ordinary Nigerians with workings of the DMO and the lucrative investment opportunities in the various federal government security instruments.

The awareness programme is a collaborative effort by the DMO and CSL Stockbrokers Ltd., the stockbroking firm of the federal government.

Ms Oniha, who was represented by Mr. Joe Ugoala, DMO's Director, Organisational Resources Department, said that the risk-free nature of FGN securities made them particularly attractive to the common people.

She urged residents of Nigerians to take full advantage of the opportunity to diversify their investments, while also supporting the federal government to raise revenue for infrastructural projects.

Ms Patience Oniha, Director-General of DMO

She said that investors could access their funds anytime they liked as "government cannot default in payment."

"FGN securities are backed by the full faith and credit of the federal government, and that greatly reduces risk of loss of capital," she said

The DG said that the objective was to ensure that many more Nigerians became aware of the huge investment opportunities so they could take advantage of them.

"The purpose of the awareness is to introduce DMO to the people. The Nigerian people are a very important set of stakeholders we must engage.

"Also, we have to educate the general public about the various products that we offer. We are talking of investment products similar to shares, but this is the other side of shares.

"The needs of government are growing and becoming different, so, we need to get more stakeholders involved in what we are doing," she said.

She noted that the idea of getting more Nigerians to invest in government securities was to also promote and encourage financial inclusion.

"We do not want anybody outside of the banking system as much as possible. We want to encourage financial inclusion.

"It is good to keep bank accounts, but it is also good to get actively involved in the financial market, either by buying shares or bonds," she said.

According to her, the various federal government securities constitute the local component of government borrowings which go into providing some critical needs of the citizens.

She said that by investing in them, citizens were contributing to nation building and assisting the government to meet its financial obligations.

She described the DMO as a government agency saddled with the responsibility of managing the nation's public debt portfolio.

"In carrying out that responsibility, the DMO also has the responsibility of issuing FGN Securities which offer good investment opportunities for the citizenry.

"Apart from the advantages that investors get, it is also an act of patriotism. It is a way of contributing your quota to the development of Nigeria," she said.

Earlier, Ifeoma Ukwunna, Lead, Retail Business, CSL Stockbrokers Ltd., said that investment in FGN securities would give Nigerians the opportunity to earn passive income from their idle funds.

Ukwunna said that the security instruments provided opportunity for investors to diversify their investment portfolios across asset classes, thereby reducing risk of loss of investment.

"They are very liquid, almost as good as cash, and can be sellable anytime the investor wants," she said.

She said that particularly, the FGN Savings Bond had incentive for retail investors.

"With as low as N5,000 Nigerians can invest in the FGN savings bond designed to accommodate the common man in the financial market, and encourage financial inclusion," she said.

Ukwunna urged interested investors to contact their stockbrokers or banks for further information.

NBS Says It's Prepared To Boost Macroeconomic Activities, Provide Data To Tackle Insecurity In Nigeria

By Albert Egbede

The National Bureau of Statistics (NBS) has promised to boost the economy of the economy of the country, it would help provide data to tackle insecurity that has crippled economic activities nationwide.

It not farfetched that insecurity has negative effects on the general macroeconomic and socioeconomic conditions in the country.

The Statistician-General of the Federation and Chief Executive Officer of the NBS, Prince Semiu Adeniran, said this on the sidelines of the 45th Annual Statistical Conference in Keffi, Nasarawa state recently.

The conference had as its theme: 'Security Challenges in Nigeria and Associated Consequences: A Statistical Overview.'

Adeniran said that the bureau was working on a new crime and security survey in collaboration with the Nigerian Army. According to him, the survey is expected to commence in 2023.

"It is going to be a household-based survey where we are going to visit a selected sample of households across the country to ask them about the security situation in their neighbourhood and their environment.

"We have quite some data available on security which we have provided for the Nigerian Army but that data is not national, it is only adopted in the North-East part of the country.

"So, we are planning to have a larger and national survey on crime and security.

"The idea of this initiative is to contribute to the solution of insecurity in the country by providing the government with important information and evidence that can assist in tackling the challenge."

He said that apart from insecurity, the crime and security survey would also address the issue of victimisation and gender-based violence.

In his paper presentation titled 'Consequences of Security Challenges on the National Statistical System in Nigeria', Adeniran said that the spate of insecurity in the country had profound negative effects on the general macroeconomic and socioeconomic conditions in the country.

He noted that no sector or group of persons was immune from the effects of insecurity in the country, adding that it affected the statistical system both directly and indirectly.

"So, in direct terms, you are looking at the safety of lives and equipment, disruptions to the field processes which have significant financial implications and possible data quality issues, if not properly checked.

"The statistical system suffers indirectly also by its inability to produce adequate, reliable and timely statistics for proper policy design, implementation, and monitoring."

The NBS boss said that the bureau had taken some measures to address the issue of insecurity in the country, one of which includes adopting the use of technology.

"We established a call centre at the headquarters through which we now conduct phone surveys. Using this platform, we can collect data in inaccessible and hard-to-reach areas when necessary."

The statistician-general said other measures taken using technology to mitigate the effects of insecurity include remote data monitoring for quality assurance.

"Using digital Enumeration Area (EA) Maps with GPS coordinates, we can monitor the movement of field staff within the selected EAs and review their submissions while they are still in the EAs.

"This has significantly reduced the need for physical monitoring from officers at the headquarters, and the entire fieldwork period can be observed remotely while ensuring the quality of the returns from the field."

He said that the bureau also engaged local community guides for its survey exercises, usually provided by the local communities, saying it had helped reduce the hostile reception faced by the fieldworkers when they go to communities for data collection.

"We have also introduced a new module on security awareness into our survey training, which was designed by professional security personnel.

"This model provides information that will assist the fieldworkers on how to be conscious and aware of any environment they enter to collect data, and how to approach security issues when they arise in the field."

The Chairman, National Population Commission (NPC), Mr. Nasir Kwarra, in his presentation, said that the spate of insecurity had affected preparations for the 2023 Census like other sectors of our national life.

Mr. Kwarra, represented by the Director-General (DG), NPC, Mr Ojogun Osifo, however, said the insecurity had not stopped the march toward the next census.

He said that due to insecurity, the commission had not been able to demarcate two out of the 774 LGAs in the country.

"The two LGAs affected are Birni Gwari in Kaduna State, occasioned by cases of banditry and Abadam in Borno State due to Boko Haram insurgency.

"Following consultations with the respective state governments and the security agencies, the demarcation of these LGAs has commenced and the exercise will be concluded well ahead of the 2023 Census."

Mr. Kwarra said that with proper planning and operational deployment as done in successive elections, the census could be conducted in Nigeria.

"Our optimism in this regard is reinforced by the patriotic roles of the traditional institutions and security agencies.

"They have provided adequate security cover for the Enumeration Area Demarcation, first and second pretests and trial census in their various communities during the exercise."

FG Commends CBN, NDIC For Resilient Financial Service Sector

● As Corporation Pledges Commitment In Driving National, Regional Growth

By Kirk Obed

The federal government recently gave kudos to Central Bank of Nigeria (CBN) and the Nigeria Deposit Insurance Corporation (NDIC) for keeping Nigerian economy resilient despite economic challenges.

The government noted with delight that Nigerian economy, like others, felt the brunt of the global economic distortion, having to slip into recession twice in the space of five years; noting that it was shielded by the resilience of the nation's financial system, which made it came out from recession within months.

The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, recently gave the commendation in Abuja at the 2022 International Association of Deposit Insurer (IADI) Africa regional committee workshop organised by NDIC with the theme 'Normality in turbulent periods: The stabilising role of deposit insurance'.

She noted that despite challenges that assailed economy, no depositors' fund was lost, given the effectiveness of finance regulatory agencies, most especially the CBN and the NDIC.

Speaking to the pivotal role of banking sector, she said, "the sector remains pivotal in supporting the real economy through the provision of innovative products and services to all relevant stakeholders.

However, she also said that the fiduciary nature of banking business, coupled with increased social-economic challenges across the globe, had increased the risk of banks' failure, with significant implications for depositors' losses and erosion of public confidence in the banking system.

"The negative impact of these challenges on economic growth and financial sector stability in most economies of the World raised a number of questions concerning the role of Deposit Insurance Scheme (DIS) in contributing to financial system stability. It has equally demonstrated the important role played by the deposit insurance system, as a component of financial safety-net arrangements in most jurisdictions across the globe, given that, depositor protection is a critical element necessary for maintaining and restoring financial stability".

The Minister described choice of the theme as apt, instructive and germane in the light of recent socio-economic challenges that continued to undermine the safety and stability of the financial system across the globe, accentuated by the lingering effects of COVID-19 Pandemic, Russian-Ukraine war, global supply disruptions and climate change challenges.

These, she noted, posed myriads of challenges and risks to the safety and stability of the global financial system. She urged participants to do thorough discussion of more specific issues such as deposit insurer's role in contingency planning and crisis management, among others.

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

In his good will message, Central Bank governor, Mr. Godwin Emefiele, noted that the regulatory agencies in Nigeria's banking sector had in place, proactive mechanisms to deal with systemic problems in financial sector.

He said that CBN and NDIC worked in synergy in developing policy guidelines for banking sector protection.

In her remarks, NDIC board Chairman, Mrs. Ronke Sokefun, said that the workshop was organised by NDIC to serve as a forum to dissect pertinent issues, share experiences, compare notes and elevate participants understanding of the role of deposit insurers in early detection and timely intervention; contingency planning and crisis management; crisis simulation to strengthen operational resilience; and contingency planning framework for a safer, and more resilient financial system that is supportive of sustainable economic growth in each jurisdiction.

"The presence of global experts from both fiscal, monetary, supervisory and regulatory agencies, and deposit insurers in gathering like this, is a manifestation of our commitment towards having robust and sustainable system that can detects problem early enough and manage crisis adequately in the banking system to foster financial system stability", she said.

Managing Director (MD)/ Chief Executive Officer (CEO) of NDIC, Mr. Bello Hassan, said that NDIC provides deposit insurance protection to depositors of 33 deposit money banks (DMBs) comprising 24 commercial banks, six merchant banks and three non-interest banks (NIBs) and 882 microfinance banks (mfbs); 34 primary mortgage banks (PMBs); three payment service banks (psbs); and 29 mobile money schemes.

He said that the corporation adopted different resolution mechanisms in resolving the failure of distressed deposit-taking financial institutions in the country. "The liquidation activities of the NDIC involved 467 insured banks in-liquidation, comprising 49 DMBs, 367 MFBs, and 51 PMBs, at end-December 2021.

The successes recorded by the NDIC in the execution of its mandate would not have been possible without the strong support and collaborative efforts of

other financial safety-net players in Nigeria such as the CBN, the Federal Ministry of Finance, Budget and National Planning and other members of the Financial Services Regulation Coordinating Committee (FSRCC)," he said.

Mr. Hassan also said that NDIC is a member of the FSRCC, an inter-agency body set-up to coordinate the supervision of financial institutions and deal with matters of common interest and concern to the various regulatory and supervisory

Authorities in the Nigerian financial services industry.

About ADIA Conference

The African Deposit Insurance Agencies (ADIA) is geared to share knowledge and expertise to strengthen the implementation of deposit insurance systems on the African Continent.

It is a technical assistance workshop (TAW) under the auspices of the African regional committee (ARC) of the International Association of Deposit Insurers (IADI).

The workshop explored issues such as the role of deposit insurance in early detection and timely intervention in resolving bank failures as well as crisis management and strengthening operational resilience of deposit insurance agencies.

Deposit insurance organisations from more than 15 African countries, including Angola, Botswana, Burundi, Ghana, Kenya, Senegal, Somaliland, Sudan, Tanzania, Uganda and Zimbabwe, were in attendance. Representatives of deposit insurance agencies from Chinese Taipei, Kenya, Indonesia, United States of America as well as the Financial Stability Institute (FSI) and the IADI Secretariat both in Basel, Switzerland formed part of the resource persons and panelists at the workshop.

The workshop took place against the backdrop of the 20th Anniversary of IADI which was established in May 2002 with a mission to share deposit insurance expertise with the world. As a deposit insurer and member of the financial safety net in Nigeria, the NDIC is a founding member of IADI, pioneer member of its executive council and founding chairperson of the ARC.

The NDIC joined IADI as a founding member in 2002 and was a pioneer member of the IADI executive council and chairperson of the IADI-ARC respectively.

In addition, the NDIC had also served on various IADI Council and technical committees such as Audit and Risk Council Committee (ARCC), Core Principles and Research Council Committee (CPRC), the IADI Strategic Planning Working Group (SPWG), the Islamic Deposit Insurance Technical Committee (IDITC) and the training & technical assistance council committee (TTAC), to mention a few.

The hosting of the IADI – ARC Technical Assistance Workshop by the NDIC is a recognition of the corporation's international standing and significant achievements and expertise in the implementation of the deposit insurance system in Africa.

> ...the fiduciary nature of banking business, coupled with increased social-economic challenges across the globe, had increased the risk of banks' failure, with significant implications for depositors' losses and erosion of public confidence in the banking system

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Tawada manufactures all the security inks used to print the Naira currency. Specific raw materials are now sourced locally, following SICPA's validation, and a technology transfer program is being implemented aiming at increasing the local content of the security inks manufactured.

Among companies that came into the country then, SICPA had already won pips of high recognition within the comity of companies even with a somewhat title of regularity cum consistency to its name. The company appears cast in the mode of the deposition of the very best that exudes full conviction of passionate intensity.

In looking at what SICPA has been doing in Nigeria, one is bound to hold to the company's depiction of the market leader in security inks and leading provider of secured authentication, identification, traceability and supply chain solutions. SICPA is a long-trusted partner to governments, central banks, high security printers and the industry in different countries of the world. Every day, governments, companies and millions of citizens rely on its expertise, which combines material-based covert features and digital technologies, to protect the integrity and value of their currency, personal identity, value documents, e-government services, as well as products and brands.

True to its purpose of enabling trust through constant innovation, SICPA has been aiming to further an economy of trust worldwide, where transactions, interactions and products across the physical and digital worlds are based on protected, unforgeable and verifiable data.

Founded in Lausanne in 1927, headquartered in Switzerland and operating on five continents, SICPA employs about 3000 people.

With more than 70 active customers worldwide and more than 3 billion products marked and protected with brand protection solutions, SICPA has proven experience in the effectiveness of its solutions.

So far, there are avalanche references and testimonials highlighting the positive impact observed by fiscal administrations and customs authorities in different countries further to the implementation of SICPA's revenue mobilisation solutions for products subject to excise tax, value added tax

(VAT) and other duties. Also, there are submissions by international organisations such as World Bank, International Monetary Fund (IMF), United Nations (UN), international publications, local economic press, and directly by government authorities of different countries to affirm the competence of the company.

In addition to country-specific testimonials, various major international institutions have endorsed SICPA's Track & Trace solutions. For example, a 2021 report from The World Bank includes multiple cases-studies from various countries that have implemented SICPA's solutions, including Kenya, Ecuador and Georgia

The federal government took the decision not only because SICPA SA possess the requisite skills, capabilities, and experience but also because it possesses the financial resources to effectively deploy the required solution to ensure the realisation of the outcomes outlined at the inception of the initiative.

The company has a proven track record, and the expertise that is demonstrated through the successful execution and completion of similar projects with 40 governmental authorities worldwide, including African countries such as Morocco, Tanzania, Kenya, Uganda or Togo.

International and global institutions such as the World Bank, the IMF, and the World Customs Organisation acknowledge SICPA's Track and Trace Solutions as instrumental to strengthen domestic revenue mobilisation and fight illicit trade.

Kenya says: "In Kenya, a Swiss company, SICPA, won the tender. Implementing the Excisable Goods Management System (EGMS) turned out to be cheaper than the cost of the previous system. The implementation of the EGMS has led to an increase in tobacco tax revenue. Overall, 2014 tax compliance expanded by 45 percent, while costs went down... In fiscal year 2016/17, excise tax revenue on beer and tobacco grew 13.3 percent, while excise tax revenue on spirits grew by 22.7 percent. The Kenya Revenue Authority (KRA) attributes this growth to enhanced compliance. The IMF has also praised Kenya for the implementation of the EGMS."

In Africa, Kenya, for example, has won praise for its EGMS-initially focused on alcoholic drinks and cigarettes, the cutting-edge tax stamps were subsequently extended to bottled water and other drinks - which has helped dramatically increase excise collection ...Since introducing the EGMS scheme, KRA has shut down hundreds of illegal producers, resulting in more than 800 prosecutions.

"The first phase of alcoholic drinks and cigarettes, in 2013, was very successful. We registered significant protection of revenue, increased our tax yield and it became necessary that we implement on the remaining products-bottled water, juices, energy drinks, soda and other non-alcoholic drinks, which came on board on November 13, 2019. So far, that implementation has borne positive outcome and for the first three months of implementation, revenue grew by an average 11 percent...

The above indicates that the Kenyan authority has a running contract with SICPA SA for the implementation of SICPATRACE system (EGMS), with the company delivering on its contractual obligations. The company has done that by providing a system that meets the objectives and requirements set out by the Kenya revenue authority.

Tanzania has also ramped up its oversight of alcohol after implementing its Electronic Tax Stamps (ETS) system in January 2019. The scheme has played an essential role in curbing the proliferation of counterfeit products on the Tanzanian market and has brought in significant tax revenue. Just three months after the scheme was put in place, Tanzanian tax officials estimated that the ETS system was helping them recoup some $1.7 million a month...Over the course of the past financial year, the scheme pushed tax revenues up by an impressive 34 percent, prompting Dar es Salaam to roll out the system for bottled water and soft drinks as well.

According to Uganda Revenue Authority (URA), "over the last one year, URA enforcement operations around implementation of the Digital Tracking Solution (DTS) have raked in a total of over UGX 3 billion of revenue as a result of netting 21 DTS flouters who were caught manufacturing, selling, exporting or distributing gazetted goods without the tax stamps," revealed by Ian Rumanyika (Public & Corporate Affairs Manager at URA). The digital tax stamp is a mark affixed on gazetted products to uniquely track and trace them on the market...

In Morocco: "Aware of the need to adopt less intrusive and more efficient control methods, and in order to optimise its means of action (human and material) while improving its results, the Administration of Customs and Indirect Taxes (ADII) had been engaged for several years in a process of reforming the control of production and importation of certain goods subject to internal consumption taxes (TIC), in particular, manufactured tobacco, alcoholic and non-alcoholic beverages. This performance concern was materialized in 2010 by the adoption of an integrated and secure tax marking system supplied and set up by an operator selected following an international call for tenders, and which made it possible to reduce the staff allocated to control, in terms of TIC, while improving the fiscal yield of these taxes, as well as the fight against fraud and smuggling... It is in this context that, on October 22, 2019, the Customs Administration and the selected service provider SICPA SA signed a new agreement which provides for investments and innovative features."

> So far, there are avalanche references and testimonials highlighting the positive impact observed by fiscal administrations and customs authorities in different countries

As stated by Turkey Revenue Authority: "TÜRKTRACE® (nb. former name of the BÜIS system) annually covers about 5.7 billion tobacco banderols, 1.6 billion beer codes, and 200 million alcohol banderols.66 Since TÜRKTRACE® has become operational in July 2007, the revenue from the Turkish Special Consumption Tax increased by USD 1.8 billion on tobacco products and by USD 200 million on alcoholic beverages. The estimated government budget on excise revenues from tobacco and alcoholic products increased by 85 percent in 2007 and by 94 percent in 2010."

"In Georgia, seven companies submitted proposals for the Integrated System of Movement and Registration of Products, and in the end the contract was awarded to SICPA, a company based in Switzerland. The Georgia Revenue Service is currently satisfied with its performance. Georgia has managed to substantially decrease tax avoidance through various administrative measures."

According to Ecuador Authority: "Since March 2017, the Internal Revenue Service (SRI) has applied the Identification, Marking, Authentication, Tracking and Tax Tracking System (SIMAR) for domestic cigarettes, beers, and alcoholic beverages, "in order to reduce the accessibility and affordability of tobacco products, as well as to protect public revenues". The World Health Organisation admitted that the SIMAR "has become an example for other countries in the region". The main objective of SIMAR is to maintain greater control of excise payments and combat tax evasion. It also seeks to detect products of dubious origin.

According to the Albania authority: "In December 2010, the Albanian Council of Ministers decided to introduce a national track and trace system for all tobacco and alcohol products (including beer) as well as medicines, both manufactured in Albania and imported from abroad. Full deployment of the adopted system, based on the SICPATRACE® platform, was completed in October 2011. After the introduction of the track and trace system, over USD 2 million of additional revenues in fines and recovered excise taxes were collected. Furthermore, from March 2012 to December 2012, the local beer production increased by 50 percent compared with the same period in 2011."

The same thing, modernising tax and customs administration to improve revenue collection, applies in other countries and states, among which are California, Niger, and Philippines.

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Looming Economic Danger In Further Delaying Climate Change Actions

POLICY BRIEF

with

ENAM **OBIOSIO**

The increasing degradation of the planet earth due to anthropogenic activities and the growing impacts of the climate variability and change certainly call for a shift in the approaches of managing natural resources. Experts have warned against imminent destruction of the planet ecosystems at current levels of degradation, which is mainly attributed to unsustainable management and utilisation of natural resources.

Prof. Chuwumerije Okereke, Director, Centre for Climate Change and Development at the Alex Ekwueme Federal University, Ebonyi State, says climate change will cost Nigeria $460 billion by 2050, if action is not taken to mitigate its effects.

He says climate change is costing Nigeria already $100 billion per annum. And that this amount will rise to about $460 billion per annum by 2050. And this represents a huge amount of our gross domestic product (GDP).

According to him, from 2020 till now, climate change is already costing the nation N15 trillion, representing two to 11 percent of the GDP, by 2050 climate change will be costing N69 trillion, representing six to 30 percent of the GDP.

The expert, who is also a visiting professor to Oxford University, said that climate change was already having untold effect on flooding and rising sea levels in the country. According to him, flooding is already affecting 25 million people in Nigeria. "In Yenegoa, there are 302,782 people estimated to be exposed to high flood risk along the Niger-Benue basin in the Niger Delta area, with 630km of land susceptible to flooding. In Lagos, 375,000 people are exposed to flooding; the number will increase to about 3.2 million people by 2050.

"The direct estimate of damage and loss is N1.48 trillion. The total damage and loss, including indirect ones due to flooding is about N2.6 trillion," Okereke said. He said that with the rise in sea level, an estimated 27 to 53 million people in the country might need to be relocated with a 0.5m increase in sea levels.

Okereke is of the opinion that coastal settlements like Bonny, Forcados, Lagos, Port Harcourt, Warri and Calabar were at risk with vast amount of oil infrastructure. He notes that the country had mapped out a lot of interesting policies to mitigate the effects of climate change.

He would list policies as long-term sustainability plan to achieve a net zero emission target by 2060 and determined contribution to aggressively embark on actions to mitigate the impact change.

There are very fascinating, interesting policies. "However, the action on the ground does not come anywhere near what is needed to arrest the situation, to address the impact of climate change and to also reduce emissions from economic-wide activity.

As we all can see, the nation is in a situation where there could be policies, documents, but very limited action on ground and this is worrisome because this is in spite of the many attentions that climate change poses an existential threat to Nigeria.

It is advisable for the government of Nigeria to match action with the right policies to achieve the desired result.

Just as it is the position of experts, we need to inject more finances and a lot of action to stem the problem of climate change, because the impact of climate change on our agricultural system is extremely high.

A good number of Nigerians engage in one kind of agricultural activity or the other and agriculture constitutes about 26 percent of the nation's GDP.

Consequently, with climate change, there will be drought and it will affect different crops and impose even stronger, negative implications on food security system in the country. It is arguable that the depletion of the groundwater around the country caused by climate change and movement of people from the north to the south could also fuel insecurity. Obviously, all of these things threaten the existence and the wellbeing of millions of Nigerians.

In its efforts towards better climate, Nigeria has recommitted to unconditionally reducing emissions 20 percent below BAU by 2030. This is equivalent to an emissions level of 12-21 percent above 2010 levels (excl. LULUCF) by 2030. The CAT rates Nigeria's 2030 unconditional target as 1.5°C Paris Agreement compatible.

In Nigeria, climate change also affects forestry due to erosion and excessive wind thereby resulting in decline in forest produce such as wood and cane. Consequently, it leads to reduction in forestry produce and low income, as well as an increase in the costs of building and furniture materials. As at 2003, the cost of deforestation and losses in non-timber forest products in the last five years in Nigeria was estimated at N120 billion per year, which is equivalent of 1.7 percent of gross domestic product (GDP).

As we all can see, the nation is in a situation where there could be policies, documents, but very limited action on ground and this is worrisome

How Nigeria will be affected by climate change? Precipitation in southern areas is expected to rise and rising sea levels are expected to exacerbate flooding and submersion of coastal lands. Droughts have also become a constant in the country, and are expected to continue in Northern Nigeria, arising from a decline in precipitation and rise in temperature.

Obviously, climate change portrays a potential threat to the composition of agricultural output in particular and to aggregate national output in general.

In 2012, Nigeria adopted its Climate Change Policy Response and Strategy (CCPRS) to ensure an effective national response to the multi-facetted impacts of climate change. The main goals of the CCPRS include: Implementation of mitigation measures that will promote low carbon as well as sustainable and high economic growth; enhancement of national capacity to adapt to climate change; raising climate change related science, technology and research and development to a new level that will enable the country to better participate in international scientific and technological cooperation on climate change; significantly increase public awareness and involve private sector participation in addressing the challenges of climate change; strengthen national institutions and mechanisms (policy, legislative and economic) to establish a suitable and functional framework for climate change governance.

The National Adaptation Strategy and Plan of Action for Climate Change Nigeria (NASPA-CCN) describes the adaptation priorities, bringing together existing initiatives and priorities for future action.

The NASPA-CCN vision is a Nigeria in which climate change adaptation is an integrated component of sustainable development, reducing the vulnerability and enhancing the resilience and adaptive capacity of all economic sectors and of all people to the adverse impacts of climate change, while also capturing the opportunities that arise as a result of climate change.

The country nay the world must cut greenhouse gas emissions by at least a quarter before the end of this decade to achieve carbon neutrality by 2050. Nigeria has to be conscious of the fact that progress needed toward such a major shift will inevitably impose short-term economic costs, though these are dwarfed by the innumerable long-term benefits of slowing climate change.

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