

## Despite Rating Agencies Stands, Nigeria's Growth Resilience Intact

Nigeria's economy is set to grow from 3.0 percent in 2022 to 3.2 percent in 2023 due to measures taken by the present administration to address insecurity in the oil sector, according to the International Monetary Fund (IMF).

The IMF disclosed this in

its World Economic Outlook Update (January 2023) report, also saying that growth in sub-Saharan Africa is projected to remain moderate at 3.8 percent in 2023 amid prolonged fallout from the COVID-19 pandemic, although with a modest upward revision since October, before

### EDITORIAL

picking up to 4.1 percent in 2024.

The Washington-based lender would say that the small upward revision for 2023 (0.1 percentage point) reflects Nigeria's rising growth in 2023 due to measures to curtail insecurity in the oil sector.

Recently, while the United Nations (UN) also projected that a robust commodities trade and dynamic consumer goods and services markets would push Nigeria's economic growth to three percent in 2023, the World Bank in its own prediction for 2023, did state that the Nigerian

economy would grow at 2.9 percent in 2023.

In view of the impact from all the global headwinds, the Nigeria's gross domestic product (GDP) is projected to drop to 3.2 percent in 2023, while the IMF estimates that by this year,

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# MOFI Takes Off As President Buhari Inaugurates Governing Council, Others

## ■ Ahmed Promises AUM of N100 trn By 2033

*In its efforts to ensure the best for Nigeria in terms of revenue generation, the current administration has recently, through the policy drive of Mrs. Zainab Shamsuna Ahmed, Honourable Minister of Finance, Budget and National Planning, fully resuscitated the long-established Ministry of Finance Incorporated (MOFI) for its ultimate mandate of revamping government's investments in Nigeria and beyond. Enam Obiosio writes.*

President Muhammadu Buhari has recently launched and formally inaugurated the Governing Council and Board of Directors of Ministry of Finance Incorporated (MOFI), at the State House, Abuja.

Apart from charging the MOFI to grow its Assets Under Management (AUM) from the current value of N18 trillion to at least N100 trillion in the next 10 years, he also tasked the new board to be the clearing house for the management of federal government's investments and assets in line with global best practices, with a view to ensuring that the investments are delivering superior risk-adjusted returns to the government.

He also called on the new MOFI to work with other ministries, departments and agencies (MDAs) to create a consolidated national asset register with a



L-R: President **Muhammadu Buhari**, Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, CEO of MOFI, **Dr. Armstrong Takang** (in a handshake with the President), Minister of State, Budget and National Planning, **Prince Clem Agba**, and Board Chairman **Dr. Shamsudeen Usman** during the Inauguration of the Governing Council and the Board of Directors of MOFI at the State House, recently. Photo: State House

We're Fulfilling Our Mandate To Keep Customers' Deposits Safe -NDIC Boss **PG 10**

FG Committed To Funding Safer Schools, As Ahmed Advocates More Investments In Girl Child **PG 3**

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# FG Committed To Funding Safer Schools, As Finance Minister Advocates More Investments In Girl Child

## ■ Ngozi-Okonjo Iweala, EU, WHO, Others Seek Development Of Girl Child Education

At the just concluded Girl Child Now Summit, the Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Shamsuna Ahmed**, as well as other stakeholders, canvassed the need to develop Nigeria's education sector and invest more in the girl child. **Musa Ibrahim** highlights their submissions.

The Honourable Minister of Finance, Budget and National Planning, Mrs. (Dr.) Zainab Shamsuna Ahmed, at the Girl Child Now Summit emphasised the commitment of the federal government in ensuring safer schools and more investments in the Nigerian educational sector, especially for the girl child.

She noted that the Summit serves as a good platform to discuss the importance of gender approaches in tackling the enormous challenges facing Nigerian girls and women.

Her words: "It is important for us as leaders and the diverse group of stakeholders in this room to hear your voices, your concerns, your hopes and dreams.

"It is plain to us that the education, health, and security of the girl child is of utmost importance, and it is imperative that we take a transformative approach to gender-conscious education. Our efforts must challenge the power relations, combat negative stereotypes and norms, utilise community resources, and engage with the underlying causes of gender-based violence, oppression, and inequality.

"Remember that President Muhammadu Buhari signed the safe schools declaration in December 2019, and I am proud to say that my ministry has been proactive in staging stakeholder engagements on financing safe schools and creating safe learning environments.

"We still have much more to be done, however, with representatives drawn across sectors and partners, giving us the assurance that we are all collectively committed to ensuring adequate funding for the implementation of the safe schools 'declaration we hope to see improvement."

Speaking further, she decried the attacks on Nigerian schools, while calling for concerted efforts and collaborations with industry players.

"However, the recent increase in attacks on educational institutions has made it imperative that we prepare a holistic national plan, with inputs from states and key relevant sectors, to create a safe leaning environment in Nigeria.

It is crucial that we secure the education of our children, as it is vital for the economic progress of the country and the attainment of the social development indices the country aims to attain.

To achieve this, initiatives across agencies, states, non-governmental organisation (NGOs), and donor partners must be harmonised to achieve maximal desired results.

The private sector is also committing to playing a key role, under the private sector advisory group of the sustainable development goals (SDG), via adoption of schools and spending as much as 100 million NGN for the provision of security, a good learning environment, and necessary tools for improved learning. The government



Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, at the #GirlChildNow Summit themed 'Nurturing our Women' organised by the Emergency Coordination Center led by Dr. Yodi Alakija

is working to create fiscal incentives to encourage members of the private sector to invest more in education," Mrs. Ahmed noted.

On investment in women and girls, she believes that it is high time for huge investment in the girl child as it portends huge leadership benefits to Nigeria.

in girls and women is not only a moral obligation, but also a smart investment. Studies have shown that when girls and women are empowered, they drive economic growth and development, contributing to a better future for all. "That is why I am proud to stand here today as a female leader,

component of this nexus, as healthy women and girls are more likely to participate in education and development activities. Furthermore, investing in maternal and child health has a direct impact on the health and well being of families, communities, and economies," the minister further explained

Conclusively, she reiterated her commitment to driving investments to strengthen education and health of Nigerian women and girls.

"As the Minister of Finance, Budget and National Planning, I am committed to ensuring that the resources are in place to support these investments in the education, health and development of our women and girls. This requires a multifaceted approach that leverages both public and private sector resources, as well as the expertise and engagement of all stakeholders.

"By fostering a supportive and inclusive environment for women and girls, we can breakdown the barriers that prevent them from realising their full potential.

"I understand the importance of providing female role models and mentors, and I am proud to be in a position where I can aspire and empower other women to pursue leadership positions and make a positive impact on society. I will continue to work tirelessly to ensure that the Nigerian economy remains strong and that the needs of all our citizens, especially women and girls are met.

"Ladies and Gentlemen, I stand before you today as a proud female leader and an unwavering ally of the Nigerian girls and women. I am committed to working with all of you to secure the resources necessary to ensure that our women and girls have access to safe, quality, gender-conscious transformative education. Let us work together to ensure that they have the tools they need to succeed and contribute to the advancement of our nation. Let us work together for a new social contract to enable girls and women to thrive for all our futures," she added.

Mrs. Ahmed thanked Dr. Yodi Alaloka and her Emergency Coordinated Centre (ECC), team of young Nigerians who have put together the two-day event to critically dialogue and catalyse

action.

Also speaking, Dr Ngozi Okonjo-Iweala, Director-General, World Trade Organisation (WTO) a few days ago urged increased investment in the education sector to ensure the quality of education to school-age children, particularly girls.

She described investment in the education of the girl child as a 'smart investment', saying that it fosters inclusion of women in economics.

In the same vein Gordon Brown, United Nations (UN) Envoy, Global Education, said that the summit reinforced the importance of education for the girl child. Mr. Brown affirmed his support for a social contract between Nigeria and girls to enable them thrive and not just to survive.

Similarly, Dr Tedros Ghebreyesus, Director-General, World Health Organisation (WHO), said that investing in women and girls' education would enhance societal prosperity and equality. He expressed optimism that education for girls and women would go a long way in reducing early marriage and other forms of gender-based violence.

Meanwhile, Pauline Tallen, Minister of Women Affairs, reiterated the commitment of the Buhari-led administration to improving the welfare of women and girls through education.

Mrs. Tallen, who described the girl child as a representation of the continuation of the cycle of life, said that education for a girl child was education for the society.

She, therefore, called for mass enrolment of women and girls in schools to create a sustainable economic future for them.

Also, Ulla Mueller, Country Representative, UN Population Fund (UNFPA), called for a continued conversation between parents and relevant stakeholders to promote girl and women education.

Ms. Mueller said that education was important for a successful and prosperous society especially for women and girls.

In his remarks, Dr Adeleke Mamora, Minister of Science and Technology, expressed the need to support girls and women to achieve their potentials to the fullest. He urged the dismantling of societal prejudices that tend to subjugate the girl child impeding her access to education.

"The societal monsters that subject women to cultural and mental subjugation must be confronted. Government's social contract forbids discrimination in many ways," he said.

He also said that there was a strong chord between health, education and wealth which women and girls must be provided access to. He explained that the mission of his ministry was to move the Nigerian economy from resource based to knowledge based.

Earlier in her remarks, the organiser of the event, Dr. Ayoade Alakija, founder of ECC, WHO Special Envoy, urged women and girls to always be bold and courageous. She said that such boldness would only be possible with foundational education as support.

The summit was organised by ECC, to address the plight of women and girls in the area of educational marginalisation.

**My Ministry is at the forefront of efforts to help Nigeria navigate these global economic challenges and secure the resources necessary...**

"I have been involved in these discussions for a long time, and I am acutely aware of the crucial importance of investing in the education, health, and development of our women and girls.

"As the Honourable Minister of Finance, Budget and National Planning, I have had the privilege of serving my country, Nigeria, in navigating the complex financial challenges brought on by the COVID-19 pandemic and the war in Ukraine. Despite these challenges, I remain steadfast in my commitment to ensuring that our country emerges from this crisis stronger and more resilient than ever before.

"But as we work to secure our financial future, we must also ensure that our girls and women have the opportunities to reach their full potential. This is why I believe that female leadership is so critical. By seeing women in positions of power and influence, girls are encouraged and inspired to reach for the stars and achieve their dreams.

"And let us be clear, investing

advocating for the rights of girls and women across Nigeria. I believe that by investing in their health, education and development, we are not only improving their lives, but also laying the foundation for a stronger, more prosperous future for our country as a whole

"My Ministry is at the forefront of efforts to help Nigeria navigate these global economic challenges and secure the resources necessary to invest in our women and girls. I am proud to say that we are making progress, but there is much work yet to be done.

"One of the critical areas of investment must be in the education and development of our women and girls. Education is a fundamental human right, and it is essential for breaking the cycle of poverty and promoting gender equality. It is a critical tool for empowering women and girls and equipping them with the skills and knowledge necessary to participate fully in society and the economy.

"Health is also a critical



# MOFI Takes Off As President Buhari Inaugurates Governing Council, Others

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view to converting the assets into cashflow-generating entities. This, he said, would support the government's revenue drive and partner the government with a view to using government-owned investments and assets to support the government in delivering on its social and economic obligations to the citizenry.

To this effect, he directed the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, to commence the process of amending the MOFI Act and other legislations to further institutionalise the reform and ensure that MOFI was restructured and repositioned to become a trusted custodian and manager of federal government's investments and assets.

President Buhari said that the event was significant as the restructured MOFI would help identify 'what we own' and how to get the best out of them.

"As part of the governance structure, there will be a Governing Council headed by me, a Board of Directors under the leadership of a former Minister of Finance, Dr. Shamsudeen Usman, and an Executive Management Team headed by Dr Armstrong Takang," the president said.

The President reminded members of the Governing Council as well as the Board of Directors that this administration expected much from them, and specifically tasked Ministers who are also members to create an enabling environment that would facilitate the creation of a National Asset Register that would be harnessed to strengthen the fiscal and economic realities and the "optimisation of our investments and assets that will be under the purview of MOFI."

Not long ago, Mr. President approved the process of restructuring the Ministry of Finance Incorporated (MOFI), the federal government's investment vehicle, as part of overall measures to revive over N30 trillion non-performing assets and boost government revenue.

Some of the assets are Galaxy Backbone, Bank of Industry (BoI), Development Bank of Nigeria (DBN) and Bank of Agriculture, among others.

To achieve this, the federal government has fully set up MOFI as a world class investment company with a new management and board to move from the civil service structure where it sits, as a unit under the Office of the Accountant-General of the Federation, with core professionals with specialisation.

Mrs. Ahmed, who made the disclosure a few weeks ago at the public presentation of the 2023 budget proposals in Abuja, stated that the government has over N30 trillion in terms of assets size.

According to her, the process of re-engineering the assets to strip them of bureaucratic tendencies and run effectively as going concerns had commenced. She said: "We started the process of re-engineering the MOFI, saddled with the responsibility of managing government assets.



R-L: Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, President **Muhammadu Buhari**, Vice President **Prof. Yemi Osinbajo**, Secretary to the Government of the Federation, **Mr. Boss Mustapha**, and Chief of Staff to the President of Nigeria, **Prof. Ibrahim Gambari**, during the inauguration of the Governing Council and the Board of Directors of MOFI at the State House, recently. Photo: State House

Following the above, to kickstart the execution of its crucial mandate, the competent board of directors is to provide strategic direction and oversight while the executive management team is to drive effective day-to-day operations of the business and will be supported by the middle management team.

The non-executive directors of MOFI are Permanent Secretaries Finance, Petroleum, and Accountant-General of the Federation, and representative of

over the last 64 years. To put this in context, MOFI was created even before Nigeria's independence."

"As part of the governance structure, there will be a Governing Council headed by me, a Board of Directors under the leadership of a former Minister of Finance, Dr. Shamsudeen Usman," the president said.

MOFI Governing Council which is chaired by the president has Mrs. Ahmed as the Vice Chairman. Others include the Ministers of Petroleum Resources, Timipre

cashflows that will contribute to improve government revenues and contribute to the social and economic development of the nation," she said.

From experience, the outright sale of government investments and assets, according to her, should not necessarily be the first option. Mrs. Ahmed said, as the government, it must do all that it can to safeguard its investments and assets while finding innovative ways to derive maximum value from them. "For

drives government's investments and assets to derive the maximum value possible from these assets, unlock liquidity from government assets to contribute significantly towards the government's revenue drive, and cut down on spending on government investments that are not contributing to government revenues or even supporting the government's social and economic agenda.

In summary, the company must prioritise government's investments and derive the highest return from the assets, such as companies where the government owns a controlling stake, shares in private companies, built-up properties, undeveloped lands, machinery, and intangible assets such as mining rights, spectrum, names, copyrights, etc.

Speaking with newsmen after the inauguration, Chairman of MOFI Board and former Minister of Finance, Dr. Usman, said that his team would swing into action immediately to fulfil the mandate given to it to raise the government's assets from N18 trillion to N100 trillion in the next 10 years.

He said: "Even though our task is mighty and difficult, I am relying on a number of things. First is that the quality of the people that have been elected, or appointed to the board, and to the Governing Council. Second is the amount of work, initial work that has been done already, and third the experience of other countries."

On the way forward for the board, the Chairman said that a comprehensive inventory of all federal government's property would be carried out, adding that no government official could ascertain total assets owned by the government.

His words: "First of all, we will do a detailed inventory of these assets, to produce a credible National Register of the assets. I can tell you some of them for now. But I think really the most important point is that there is nobody in government today that can tell you that this is 100 percent,

...the event was significant as the restructured MOFI would help identify 'what we own' and how to get the best out of them

Central Bank of Nigeria (CBN).

Others are Mr. Olawale Edun, (South West); Hajiya Fatima Mede, (South South); Ike Chioke, (South East); Muhammad Nda, (North Central); and Barrister Alheri Bulus Nyako (North East Zone).

Apart from approved Executive Management Team, headed by Dr. Armstrong Katang as CEO, the Executive Directors are Eric Ojo (Portfolio), Sani Yakubu (Investment), and Oluwakemi Owonubi (Risk). All the above persons were identified with key competencies to drive the achievement of MOFI's governance and management objectives.

According to President Buhari, the MOFI Act of 1959 now Cap. 229, Laws of the Federation, 2004, "explicitly empowers MOFI to enter into commercial transactions of any description on behalf of the Federal Government of Nigeria in its own name. As a result, MOFI was used as a Special Purpose Vehicle across different sectors, to invest in commercial entities

Sylva; Aviation, Hadi Sirika; Industry, Trade and Investment, Niyi Adebayo, Transportation, Mu'azu Sambo; Central Bank Governor, Dr Godwin Emezie, and three experts appointed by the President: Professor Muhammad Sagagi, Doctor Ayo Teriba and Professor Ken Ife.

In her address at the recent official launch of the MOFI, Mrs. Ahmed said that the event marked a key milestone in one of the government's landmark reform initiatives: the review, restructure, and repositioning of the 64-year-old entity called MOFI.

She thanked President Buhari for his support and approvals that have made the restructuring and repositioning of MOFI possible, assuring him that Council members and Board would ensure that the new MOFI delivers on its mandates.

"It is also a firm belief of Mr. President that all government assets must be known, and they must be used to generate

our active investments, we must put in place the appropriate corporate governance structures, institutional framework, legislative instruments, policies, capital, enabling environment, and other support to enable these investments to deliver superior risk-adjusted returns. For idle assets with stranded value, we must find innovative ways to put them to work and unlock liquidity from them. These include using partnerships, concessions, injections of capital, etc. To achieve these, we must have visibility over these assets regardless of where they are or who is keeping them.

In transforming MOFI into an active investor that drives value for the portfolio, expectedly the Nigerian government stands to reap significant rewards, as estimates indicate that the financial value derivable from MOFI's current portfolio could reach up to NGN 100 trillion (\$232 million) by 2033.

It is also crucial that MOFI



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with certainty, the assets owned by the government.

“Unfortunately, we are in that situation, some work has started. That is why we arrived at this estimated N18 trillion - N19 trillion. But there are some that are even not known. There is a lot of uncertainty. Where are they? Where are they all over the country? What is the value? And how can we turn them around?”

MOFI, Pursuant to Sections 2 and 3 of MOFI Act 1959, is a corporation sole vested with the responsibility to manage all federal government investments, interests, estates, easement and rights.

According to Mrs. Ahmed, “MOFI has been existing since many years ago and has gradually become quite inefficient. So, we have got the president’s approval to start the process of re-engineering MOFI and we are now at the stage where we hope in the next one month or six weeks, we will be able to relaunch MOFI.

“We have been able to take stock of the assets that are in the books of MOFI and even without taking stock of the ones that are not in the books of MOFI, we have about N30 trillion in terms of assets size. So, if we are looking for a debt of N10 trillion, we already have assets of N30 trillion.

The government has opened these assets for investments, to issue different kinds of equities investments into these assets. The government does not have the kind of resources to recapitalise these assets.

Pointing out some of the assets, she said: “When I talk about assets, I am talking about our investments like the Bank of Industry (BOI), the Development Bank of Nigeria (DBN), Galaxy Backbone and several other agencies of government; companies that government has set-up.

According to the government, a few of them are doing well and delivering the books, “but our assessment is what they are doing can still be better by incremental adjustments.

“I give you an example; we have the railways in the books of MOFI at something like N20 million as the asset size and we are conducting a re-evaluation. By the time we finish the re-evaluation, the value of the Nigerian Railway Corporation (NRC) will run into trillions. Also, by the time we finish the re-evaluation of our airports, it will run into trillions.

There is a process that is ongoing; the government has fully set up MOFI as world class investment company with a new management and a new board to move from the civil service structure where it sits as a unit under the office of the Accountant-General of the Federation, and get core professionals that are really focus and specialised in portfolio management and driving investments to run better.

Mrs. Ahmed added that efforts were ongoing to amend the books to raise equity in order open up investment for Nigerians and non-Nigerians to invest in the assets.

MOFI has now enjoyed the



President **Muhammadu Buhari** with Vice President **Prof. Yemi Osinbajo**, Chief of Staff to the President of Nigeria, **Prof. Ibrahim Gambari**, Secretary to the Government of the Federation of Nigeria, **Mr. Boss Mustapha**, Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed**, Honourable Minister of State, Budget and National Planning, **Prince Clem Agba**, government appointees, and other dignitaries during the inauguration of the Governing Council and the Board of Directors of MOFI at the State House, recently.

presidential approval for the restructuring, transition, and take-off for the implantation of its core mandate. The initial aspect of the work of re-positioning and restructuring MOFI into a world-class viable Federal Government of Nigeria asset and investment management company has been completed by the Federal Ministry of Finance, Budget and National Planning.

Not long ago, specifically on July 30th, 2021, the Federal Ministry of Finance, Budget and National Planning, in its capacity to provide policies and guidelines for the stimulation development of the country’s economic growth and deal with the myriad challenges that confronted this administration, sought the approval of President

transformation of MOFI pursuant to the powers of the Honourable Minister under the extant law to bring MOFI in conformity with current economic realities.

Different approvals were given such as the creation of programme management office to supervise the transition and take off of the new MOFI, the commencement of stakeholder engagement on the ‘Take-off list’ of assets with which the MOFI portfolio is to be re-established, the initiation of a comprehensive due diligence on MOFI and its wider universe of actual and prospective assets and liabilities, the establishment of MOFI’s initial balance sheet based on the ‘take-off list of portfolio assets, creation of a comprehensive national asset register, recruitment

Over the last five years, MOFI companies generated N33.4billion in dividends (with an average of N6.7billion each year) from its portfolio, and derived N9.9billion in proceeds from its divestments, the majority of which were from local entities. Through undergoing the process of transformation, MOFI could increase this contribution to up to 15 percent of Nigeria’s budget, with potential dividend yields of between N5trillion and N10trillion for the federal government by 2033.

However, achieving N100 trillion in AUM by 2033 would require a combination of high return on equity (20 percent to 30 percent) and a significant increase in funding from government or partners. Achieving this will

to the federal government. For the government to fully maximise significant value from concession assets, there is a need for a partnership between MOFI and the Infrastructure Concession Regulatory Commission (ICRC) to ensure adequate representation of the federal government’s interest in the special purpose vehicles for concessions. MOFI’s in the partnership would then be that of value creation enabler, deploying capital and the expertise required to drive commercial objectives and complementing ICRC’s role as the regulator.

MOFI will require strong oversight on all businesses within its portfolio to fully optimise its investment. MOFI holds a significant stake in approximately 37 percent of entities under its management, of which eight percent is wholly-owned. In 21 percent of entities, MOFI has a majority stake with more than 50 percent ownership, and in eight percent of entities, it holds a significant interest (between 25.0 and 49.9 percent).

“It was revealing that MOFI is under-represented on the companies’ boards, while having limited or no power to nominate board members, even for entities where it is the major shareholder, largely because most of government-owned investments are not under MOFI’s direct supervision, but are currently managed by other ministries, departments and agencies (MDAs), for instance, the Bureau of Public Enterprises (BPE).

In such circumstances, supervising MDAs may refuse to comply with the guidelines and principles governing their relationship with MOFI, and the information they provide to the organisation is usually inadequate.

It is in the light of these facts that there is an urgent need for MOFI to take full responsibility regarding the nomination of board members, appointment of the management team, input into strategy and performance targets for the management team, and periodic performance tracking, and monitoring and review for both the board and the management team for portfolio companies where MOFI has majority stake. This level of ownership is required to drive governance and performance management for value creation.

MOFI’s investment philosophy provides for a careful consideration of ensuring a balanced portfolio in order to catalyse growth in high priority sectors. Currently, its portfolio companies are skewed to the energy and extractive sectors, which account for around 71 percent of the value, while financial services and infrastructure account for around 72 percent share of companies. A significant portion of funds (60 percent and 80 percent) can be allocated to support new investments in manufacturing, digital services, and agriculture sectors. This leaves MOFI, and by extension the government, open to adjustments in the global market and changes in the domestic environment and as well help to diversify and rebalance the portfolio.

## There is a significant opportunity to leverage concession assets through MOFI as a tool for infrastructure development

Buhari to reform MOFI through a review, restructure, and reposition (R3) programme of Government Owned Enterprises (GOEs), where the federal government owns 100 percent, and Government Linked Enterprises (GLEs), where the federal government owns at least 20 percent equity, given MOFI’s mandate as the special purpose vehicle meant to serve as the manager of the federal government’s investments and assets of whatever nature.

On the 25th of August 2021, Mr. President granted approval to carry out all encompassing restructuring and operational

of foundation management for MOFI, and the establishment and inauguration of the founding board of directors of MOFI.

MOFI’s strategic aspiration, according to Mrs. Ahmed, is to grow its assets under management (AUM) to a minimum of N100trillion by 2033, and to drive minimum annualised average returns on equity of 15 percent. Based on average dividend estimates, the company can currently fund only 0.04 percent of Nigeria’s budget from its portfolio companies, provided all its dividends are remitted to the government.

require a conversion of the current idle assets with stranded value into value generating assets and additional capital injection from government through budgetary allocation.

“There is a significant opportunity to leverage concession assets through MOFI as a tool for infrastructure development. As part of MOFI’s transformation exercise, the ministry developed incredible capabilities and systems to regulate concession agreements. However, it has not been able to do the same in terms of adequate tracking, monitoring and realisation of all benefits accruable



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# EDITORIAL

## Despite Rating Agencies Stands, Nigeria's Growth Resilience Intact

CONTINUES FROM COVER

Nigeria's inflation will have decreased to 17 percent from a projected 19 percent.

Nigeria's dollar-denominated government bonds fell recently ahead of a review of its credit rating by Standard & Poor's (S&P) Global, after it was downgraded by another ratings agency, Moody's, a week earlier.

Nigeria's bonds dropped as much to 2.6 cents in the dollar, with the 2038 maturity falling the most, down to 69.187 cents, according to Tradeweb data.

The S&P credit rating for Nigeria stands at B- with stable outlook. Moody's credit rating for Nigeria was last set at Caa1 also with stable outlook. Fitch's credit rating for Nigeria was last reported at B- also with stable outlook.

Though the bond rating is an important process, alerting investors to the quality and stability of the bond, there is no arguing the fact that the economy of Nigeria is a middle-income, mixed economy and emerging market with expanding manufacturing, financial, service, communications, technology, and entertainment sectors.

The country is still in good stead with its growth factors, the ratings and projections notwithstanding. To reduce its vulnerability to crisis and rise to its growth potential, the country has ensured policy reforms to help the country overcome the current challenges and set the foundations for rising to its potential. The reforms are in three key areas: restoring macroeconomic stability; boosting private sector development and competitiveness; and

expanding social protection to protect the poor and the most vulnerable.

The Strategic Revenue Growth Initiative (SRGI) of the federal government, among others, has been in place, reversing the previously declining trend in non-oil revenues as a share of GDP, though this success needs to be sustained and built upon.

The present administration has been working to implement critical macroeconomic and structural reforms to reduce crisis vulnerabilities and increase growth, exemplarily proven in its ability to beat recessions. The federal government has been doing so to lift per-capita incomes, sustainably reduce poverty and deliver better life outcomes for many Nigerians.

While a few would only see weaknesses in the macroeconomic policy framework, previous episodes of reform progress and high growth, such as in the 2000s, show that Nigeria's economy can turn around quickly, and its tremendous economic potential that could be unleashed is well-known.

We can see that the implementation of broad economic policies shows Nigeria has chosen to make reforms that stabilise its macro-fiscal policy settings and support investment. In curbing economic crisis, the government has taken into account the fact that fiscal policy should not conflict with the efforts of the monetary authorities, so that it does not only prolong the existing inflation leading to a severe financial crisis.

Recent disruptions to the global economy following COVID-19, including rising inflation

and limited access to finance, have left many businesses in Nigeria, particularly micro, small and medium enterprises (MSMEs), struggling with supply chain shortages, increased cost of doing business and limited trade growth.

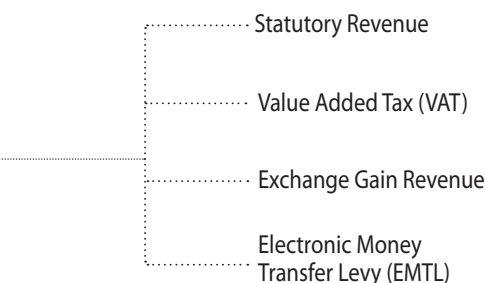
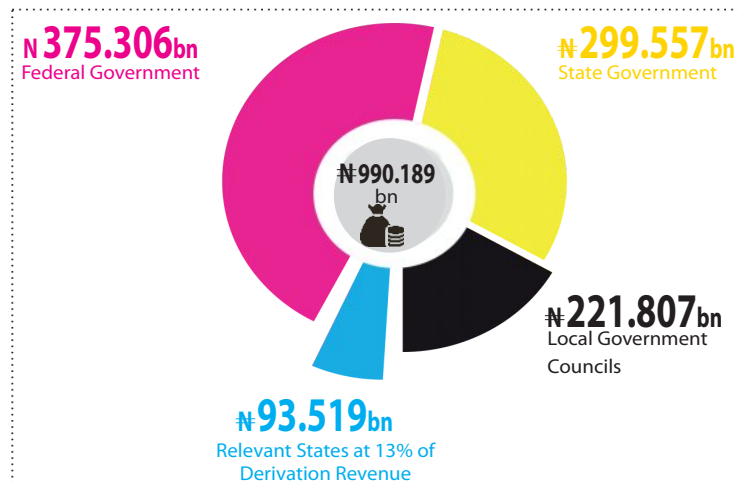
Following this, the federal government came up with a fiscal policy which has resulted in improved revenue collection aimed to narrow the fiscal deficit; of course, this is to help the administration to continue to focus on the most vulnerable groups, aid the economy in adjusting to more unpredictable situations through investments in human capital, digitalisation, and green energy.

The current administration has been very serious with the nation's economy, considering the medium- and long-term policy actions or reforms that could arrest Nigeria's current fiscal position. The federal government has decided to end subsidy payments on premium motor spirit (petrol), improve monetary policy, and strengthen security strategy in the oil-producing areas to aid improved output level.

We can clearly see that reversing the previously declining trend in non-oil revenues is consistent with the present administration's work to implement critical macroeconomic and structural reforms to reduce crisis vulnerabilities and increase growth. The federal government has been doing so and is still doing so to lift per-capita incomes, sustainably reduce poverty and deliver better life outcomes for many Nigerians. Therefore, despite rating agencies stands, Nigeria's growth resilience and potentials remain intact.

# FAAC Shares NN990.189 bn December 2022 Revenue To FG, States, LGCs

## Federation Accounts Allocation Committee (FAAC) Share:



Electronic Money Transfer Levy (EMTL)	
Federal Government	N3.648bn
State Government	N12.157bn
Local Government Councils	N8.510bn

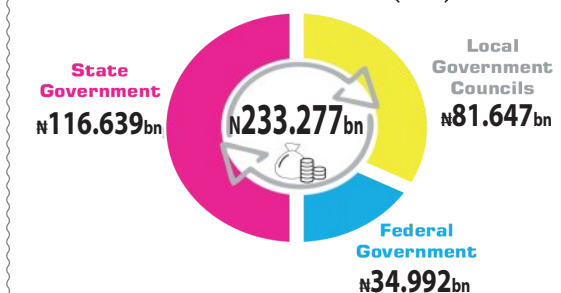
Balance in the Excess Crude Account  
**\$473,754.57**

Total Deductions for Transfers, Refunds  
**N396.896bn**

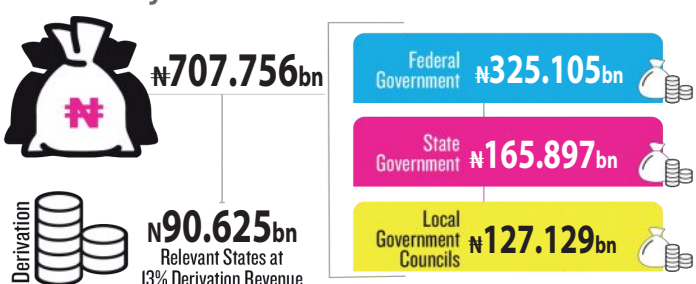


**N10.020bn** Cost Of Revenue Collection

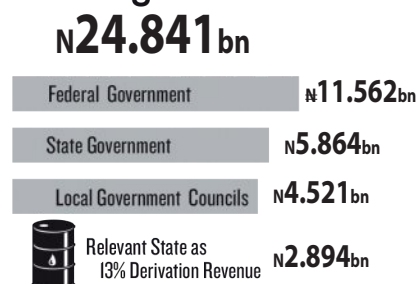
## Distributable Value Added Tax (VAT) Revenue



## Statutory Revenue Distribution



## Exchange Gain Revenue



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



# PUBLIC NOTICE

# NDIC

Nigeria Deposit Insurance Corporation  
Protecting your bank deposits

## VERIFY YOUR CLAIMS IN UNYOGBA MFB (IN-LIQUIDATION)

30<sup>th</sup>  
January 2023  
to  
10<sup>th</sup>  
February 2023

The Nigeria Deposit Insurance Corporation (NDIC), the official Liquidator of **Unyogba MFB** whose license was revoked, is in the process of **paying insured sums** to **Depositors**. Therefore, we advise that all eligible depositors of the bank should meet NDIC officials at the closed bank's branches in **Kogi State** or any NDIC office in order to verify their claims.

The verification exercise will commence from **Monday, 30th January, 2023** till **Friday, 10th February, 2023**. Eligible depositors can also visit the NDIC website at [www.ndic.gov.ng/claims/](http://www.ndic.gov.ng/claims/) to download and fill out the Claims Form.

S/N	BANK BRANCHES	LOCATION	VERIFICATION SITE
1.	Head Office	Ejule Town	Ejule Branch
2.	Ejule Branch	Ejule Town	Ejule Branch
3.	Itobe Branch	Itobe Town	Ejule Branch
4.	Anyigba Branch	Anyigba Town	Anyigba Branch
5.	Abocho Cash Center	Abocho Town	Anyigba Branch
6.	Egume Cash Center	Egume Town	Anyigba Branch
7.	Ibaji Cash Center	Ibaji Town	Anyigba Branch
8.	Ugwolawo Branch	Ugwolawo town	Ugwolawo Branch
9.	Ogodu Cash Center	Ogodu Town	Ugwolawo Branch
10.	Abeju Kolo Cash Center	Abeju Kolo Town	Ugwolawo Branch
11.	Federal Polytechnic Idah Branch (FPI)	Idah Town	Fed. Poly Idah Branch
12.	Idah Branch	Idah Town	Fed. Poly Idah Branch
13.	Ajaka Cash Center	Ajaka Town	Fed. Poly Idah Branch
14.	Odolu Cash Center	Odolu town	Fed. Poly Idah Branch
15.	Okpo Branch	Okpo Town	Okpo Branch
16.	Ankpa Branch	Ankpa Town	Okpo Branch
17.	Imane Cash Center	Imane Town	Okpo Branch
18.	Ogugu Cash Center	Ogugu Town	Okpo Branch

The completed form along with scanned copies of supporting documents should be emailed to [claimskomplaints@ndic.gov.ng](mailto:claimskomplaints@ndic.gov.ng).

Depositors can also contact the representatives of the **Director, Claims Resolution Department** at any NDIC Zonal Office to file their claims, and seek assistance or clarification.

Director, Claims Resolution Department  
Nigeria Deposit Insurance Corporation  
Lagos Office  
Mamman Kontagora House (8th Floor)  
23a, Marina  
P.M.B. 12881, Lagos

S/N	OFFICES	ADDRESSES OF NDIC OFFICES	TELEPHONE NO.
1	Abuja HQ	Head, Bank Examination Unit (BEU), NDIC, Abuja, 447/448, Constitution Avenue, Central Business District, Garki, Abuja	094601261
2	Lagos	NDIC, Mamman Kotangora House (8th Floor), 23A Marina, Lagos	07080517483   08038112996 08188559729   08067298386
3	Abeokuta	No. 1, Oshele Road, Ibara GRA Abeokuta	08033137255
4	Bauchi	Plot No. 3, Bank Road, P.M.B. 0207, Bauchi	07038510761
5	Benin	28A/28B, Benoni Hospital Road, Off Airport Road, GRA, Benin City, Edo State	08023124220
6	Enugu	No. 10, Our Lord's Street, Independence Layout, Enugu	08065996819
7	Ilorin	No. 12A, Sulu Gambari Road, Ilorin	08023073975
8	Kano	Plot 458, Muhammad Muhammad Street, Off Maiduguri Road, Hotoro, GRA, Kano	08133151192
9	Owerri	Plot 56, Area A, World Bank Area, New Owerri Landmark, Behind Immaculate Hotel. Opposite Fidelity Bank Plc.	09135137677
10	Port Harcourt	No. 104, Woji Road, Off Olu Obasanjo Road, GRA, Port Harcourt, Rivers State	08054663230
11	Sokoto	No. 2, Gusau Road, Opposite NNPC Mega Station, Sokoto	094601085
12	Yola	No. 6, Numan Road, P.M.B. 2227, Jimeta, Yola, Adamawa State	08067910599   08067923383

0803 811 2996

[claimskomplaints@ndic.gov.ng](mailto:claimskomplaints@ndic.gov.ng) | [www.ndic.gov.ng](http://www.ndic.gov.ng)



# NEWS IN PICTURES

Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed** (middle), and Permanent Secretary Finance, Federal Ministry of Finance, Budget and National Planning, **Mr. Aliyu Ahmed**, and new Managing Director (MD) of Shelter Afrique, **Mr. Habib-Thierno Hann** (spotting a red tie), with others during Mr. Hann's visit in company of his team to the Honourable Minister recently in Abuja.





# NEWS IN PICTURES





# FG Says Moody's Investors Don't Understand Domestic Environment

## ■ 41% Of Revenue Spent On Debt Service

By Jennete Ugo Anya

The Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, has reacted to the recent downgrade by Moody's, an international credit rating agency, stating Nigeria's peculiar environment, which the agency did not factor in their ratings. Musa Ibrahim reports.

The federal government has expressed surprise over the latest report of an international rating agency, Moody's Investors Service, which downgraded nine Nigerian banks.

Reacting to the report at the 65th ministerial briefing, organised by the Presidential Communications Team in the State House, Abuja recently, Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Ahmed, said that Moody's report did not reflect a proper understanding of the domestic economy, despite presenting evidence of Nigeria's efforts to stabilise the economy.

She said: "The Moody's report downgrade came as a surprise to us because we have presented all of the work that we have been doing to stabilise the economy.

"They said that they have confirmed our capacity to pay our debt, but that it is eating too much of our revenue, and they flagged that as a high risk."

According to the Honourable Minister, Moody's inferred that Nigeria's foreign exchange management was still problematic - that industries operating in the country could not get the foreign exchange requirements to meet the business needs.

"But these are external rating agencies that do not have the full understanding of what is happening in our domestic environment. The reasons they gave also are very



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

practical ones. They said even though oil production has been restored, that there is still a chance, a higher risk that there could be a relapse to the production levels.

In another development, she disclosed that the federal government spent 41 percent of the revenue generated in 2022 to service its N44.06 trillion debt.

Mrs. Ahmed also disclosed that the government has extended the 2022 budget implementation by three months ending March 2023 over the weak revenue performance last year.

Making this disclosure, she said that the budget for 2022 as amended projected N18.1 trillion spending out of which N8.17 trillion deficit will be sourced through domestic borrowing, adding that 41 percent of the revenue generated was spent to service Nigeria's debt.

Personnel cost, including

pensions, gulped 31 percent while only 15 percent was released for capital investments.

Mrs. Ahmed said: "2022 fiscal outcomes impacted by oil revenue performance and you will also see that non-oil revenues have been on the rise. As at November 2022, aggregate federal government revenue was N6.5 trillion and this is 66.7 percent of the target that we have set for 2022.

"The federal government's share of oil revenues to fund the budget was N586.7 billion representing 29.2 percent performance, while non-oil revenues totally N2.09 trillion representing an out-turn of 99.1 percent compared to the budget projections.

"Non-oil revenues continue to outperform oil revenues. The company income tax and the value added tax were top performers recording 129.8 percent and 93.3

percent of their respective targets.

"On the expenditure side, total expenditure to fund the 2022 budget as amended, and also remember we had a supplementary budget, was estimated at N18.1 trillion. However, as at November 2022, spending fell short of the target by 22.6 percent.

"The implementation of the 2022 budget has been extended for the capital to March 31, 2023. Of the expenditure out-turn so far for 2022, 41 percent of the spending has been on debt service, 31 percent was utilised for personnel cost, including pensions and 15 percent was released for capital investments."

Mrs. Ahmed also said that the combined fiscal deficit for 2022 was estimated at N8.17 trillion with 54 percent of the deficit financing to be obtained from domestic sources.

Nigeria's total debt stock as of September 2022 is N44.6 trillion or \$101.9 billion with N17.14 trillion (\$39.66 billion) as an external component.

Borrowings from external sources to meet the 2022 budget deficit was no longer an option for the federal government, but domestic borrowing by the government is overcrowding the chances of businesses to borrow, experts have suggested.

According to Mrs. Ahmed, the ministry was assigned 40 deliverables by President Muhammadu Buhari out of nine priority areas.

She revealed that to support domestic revenue mobilisation efforts, the revenues collected by the Federal Inland Revenue Service (FIRS) grew from N6 trillion in 2021 to N10.1 trillion in 2022.

"These are federation revenues and not federal government revenues. Of this N10 trillion, N4.1 trillion is oil revenue while N5.96 trillion is non-oil revenue. So, these are federation's revenue," she explained.

She also said that the ministry introduced the Finance Act as an annual tradition to support the annual budget in the delivery of the fiscal strategy of the federal government.

She stated that the legislature has conveyed the Finance Bill 2022 for the President's approval to support the implementation of the 2023 budget.

The Honourable Minister further said: "The president has not been able to sign it because there were two very significant provisions in the bill that the president wanted the National Assembly to revisit, and as you know, the National Assembly has been very busy with a lot of things, including the works in their constituencies."

## We're Fulfilling Our Mandate To Keep Customers' Deposits Safe -NDIC Boss

By Musa Ibrahim

The Managing Director and Chief Executive Officer (MD/CEO) of Nigeria Deposit Insurance Corporation (NDIC), Mr. Hassan Bello, has said that the corporation is working with deposit money banks (DMBs) and micro finance banks (MFBs) to ensure customers deposits are safe.

He stated that the collaboration has yielded results especially on the National Association of Microfinance Banks Unified Information Technology (NAMBUIT).

Mr. Bello said that the move is to ensure that customers are not left in a limbo in the event of the failure of microfinance banks in the country.

Speaking in Lagos recently at a forum on 'Deposit Insurance System (DIS) and Financial System Stability' organised by the corporation for Editors, Mr. Bello said that the NAMBUIT is to help enhance resolutions in an



MD/CEO of Nigeria Deposit Insurance Corporation (NDIC), **Mr. Hassan Bello**

event of failure.

According to him, the NAMBUIT platform, which provides uniform banking

application to all MFBs, would facilitate easy submission of returns to the Central Bank of Nigeria (CBN), and NDIC

foresees an increase of MFBs getting onboard this year.

He noted that another initiative targeted at MFBs, the Single Customer View (SCV) reporting template, would address challenges of delays in the payment of their depositors in the event of their failure and liquidation of microfinance and primary mortgage banks (PMBs).

"In terms of supervision, the corporation in collaboration with the CBN adopted a risk-based approach to ensure that the monitoring of financial institutions provides a more nuanced assessment of the activities of the financial institutions based on certain risk indicators. This ensures that any potential threats can proactively be flagged and appropriate regulatory/supervisory action taken.

"The corporation in 2022 deployed the SCV reporting template to MFBs and PMBs, in order to address challenges of

delays in the payment of their deposits in the event of their failure and liquidation. SCV presents single, unique and consistent information on bank depositors for faster pay-out of insured claims," Mr. Bello added.

Similarly, the corporation in collaboration with the CBN has been working on the NAMBUIT platform, which provides uniform banking application to all the MFBs to facilitate easy submission of returns to the CBN and NDIC.

At end of December, 2022, the NAMBUIT platform, he said, had on-boarded quite a significant number of the MFBs and the number is expected to increase considerably this year.

He noted that the critical role of the corporation in the financial sector and its impact on the economy is anchored on its four broad mandates of deposit guarantee, bank supervision, failure resolution and bank liquidation.



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# FG Gives N130bn Sukuk Fund To Ministry Of Works, FCTA

## Invests N612bn Sukuk Funds On 71 Roads, 4 Bridges In 6yrs

By Kingsley Benson

The Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, recently presented the sum of N130 billion to the Federal Ministry of Works and Housing, and the Federal Capital Territory Administration (FCTA) for the construction of roads across the six geopolitical zones and the federal capital territory.

Speaking during the presentation, she said that N110 billion would be given to Works and Housing while N20 billion would go to the FCT.

She also said that the federal government has invested over N612.557 billion raised through Sovereign Sukuk issued between 2017 and 2021 for the construction and rehabilitation of key economic road projects in the six geopolitical zones and the Federal Capital Territory (FCT).

According to her, the money was used to construct and rehabilitate sections of 71 road projects covering 2,808.06 km and four bridges by the Federal Ministry of Works and Housing and sections of six road projects covering 99km and 19 bridges by the FCTA.

The issuance of Sovereign Sukuk, a project-tied debt instrument, has been successful in financing the critical infrastructures in the country.

So far, N742.56 billion has been raised from five series of Sukuk issued between 2017 and 2022- with N130 billion realised from last year's offer.

Out of this, N100 billion was given to the Federal Ministry of Works and Housing, while the FCTA received the N20 billion balance, all to be deployed to road projects.

Speaking at the event, Mrs. Ahmed said that the N130 billion would form part of the federal government's capital expenditure in the 2022 Appropriation Act, which has been extended by the National Assembly to March 31, 2023,



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



Director-General of DMO, **Ms. Patience Oniha**

due to low implementation recorded so far.

As of November 2022, N1.88 trillion had been released as capital expenditure, which represents about 40 percent performance as against the N4.7 trillion total capital budget.

She further spoke of how the sukuk initiative has, in five years, helped to improve critical road infrastructure across the country, and also helped drive some other objectives, including deepening the domestic capital market and financial inclusion.

"The private sector and sub-nationals have also begun to embrace the instrument and looked forward to seeing more issuances for additional asset class to rapidly grow ethical investors and funds in the economy.

"I commend the Debt Management Office (DMO) and other stakeholders

for the sustained success story being recorded through the issuance of Sovereign Sukuk," she added.

Also speaking, Ms. Patience Oniha, the Director-General (DG) of DMO, recalled how the debt office had progressed with Sovereign Sukuk by diligently working with experts to get the process and documentation right.

These efforts, she noted, paid off with the issuance of the first Sovereign Sukuk of N100 billion in September, 2017.

The DMO has issued four more Sukuk instruments, bringing the total amount raised as at December 2022 to N742.56 billion.

"From the Sukuk issued between 2017 and 2021, a total of N612.56 billion was raised and deployed to the construction and rehabilitation of sections of 71 roads and four bridges

covering a total of 2,820.06km," she further noted.

She commended the implementing Ministries and their various contractors for supporting the DMO in this initiative.

She said that through the Sovereign Sukuk initiative, the DMO has demonstrated its strong alignment with President Buhari's policy on infrastructural development.

She further stated that the DMO has positioned itself not only as an agency for managing the public debt, but as an active stakeholder in the domestic capital market through innovation, investor engagement and collaboration with other stakeholders.

"These have deepened the market, created benchmarks for other borrowers and promoted financial inclusion by providing a retail product, FGN Savings

Bond, as well as, Sukuk and Green Bonds for ethical investors," Oniha stressed.

At the event, Mr. Babatunde Raji Fashola, Honourable Minister of Works and Housing, also spoke of how Sukuk issuance, over the years, has helped the government build critical infrastructure, sustaining and creating more jobs in the process.

Mallam Mohammed Bello, the FCT Minister, who received the N20 billion cheque for road projects in the capital city and was represented at the event, listed the different roads which have been built with the earlier allocation, and committed to using the new release effectively.

Representatives of the contractors said that they were excited to continue with the projects and pledged to deliver in good time.

# Amidst Naira Scarcity: CBN Assures INEC of Availability Ahead of Elections

## Threatens To Revoke License of PoS Operators Over High Charges

By Chiamaka G. Okpala

The governor of Central Bank of Nigeria (CBN), Mr. Godwin Emefiele, has said that the CBN will avail new Naira notes to the Independent National Electoral Commission (INEC) for their logistics ahead of the forthcoming general elections.

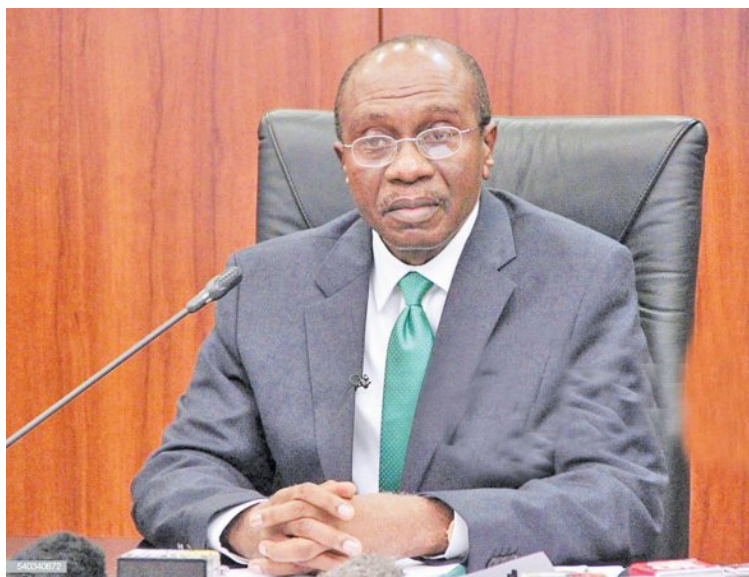
He spoke recently during a meeting with Professor Mahmood Yakubu, Chairman of INEC, at the CBN headquarters in Abuja.

The meeting was amid concerns over the current naira scarcity.

Speaking at the meeting, Prof. Yakubu said that while service providers needed for elections are generally paid by electronic transfer, there are critical areas such as transportation and emergency situations where cash payments would be required.

"In view of the recent policy, involving the redesign of some denominations of our national currency, and the limits placed on cash withdrawals and availability, we consider this meeting important in addressing some of the areas of concern with just 17 days to the 2023 general election," he said.

"We are confident that arising from this meeting, we can assuage the anxiety expressed by some of our service providers. We are



**Mr. Godwin Emefiele, CBN Governor**

determined to make the 2023 general election one of the best organised elections in Nigeria, but we cannot do it alone."

Responding, Mr. Emefiele said that the CBN remains committed to supporting INEC towards ensuring credible polls.

"Just a few months ago, I visited your office and you raised the issue of how foreign exchange can be procured for you to import

other forms of election materials that needed to be imported," he said.

"And I gave you my word that foreign exchange will be provided for that purpose. I sit here to confirm that as at today, not one dollar is owed. All dollars needed to procure those materials have been provided.

"Now, this issue of paying logistics for people who are

going to be transporting election materials to wards, certainly I give it to you that because we regard the INEC project as an urgent national assignment, it cannot fail.

"The central bank will not allow itself either to be used or to be seen as an agent that frustrated positive outcome of the election.

"I give you the commitment that if in this case, after making your electronic payment you require some money to pay transporters, in this case cash, we will make it available.

Similarly, Mr. Emefiele has asked banks to stop high charges by the Point of Sale (PoS) agents on every transaction made by their customers.

He said that erring PoS vendors may lose their operating license.

"I am going to be calling a meeting with the banks..., if those charges go to or those charges have been charged through the bank, we are going to have an arrangement with even telcos to see how those charges can actually at this time be stopped.

"Those charges at this time should be stopped. So, if we know whatever you are making that you are not making because we stopped it, we can collect it somewhere and look for a way to pay you.

"But we do not want you to

continue to create pain on those who want to use alternative channels, when they cannot have cash in their pocket. We will go into this later..., we are going to call a meeting of both the banks and the mobile networks; at this time, nobody should be charged, if you are charged, we will need to know about it.

"But we would want this service to continue to be offered. Whatever it is in terms of volume and number that you have carried out, we will look for a way to pay you your money," he said.

The redesigned naira notes comprising N200, N500 and N1,000, came into use on December 15, 2022, after they were unveiled by President Muhammadu Buhari on November 23, 2022 in Abuja.

The CBN had earlier fixed January 31 as the deadline for the collection of old naira notes, but later extended the time to February 10.

Mr. Emefiele had said that the extension was to allow Nigerians that had naira legitimately earned and trapped, the opportunity to deposit their money for exchange.

The governor had ordered banks to load their Automated Teller Machines (ATMs) with the new naira notes to ensure Nigerians had access to them.





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Website: [www.ptad.gov.ng](http://www.ptad.gov.ng)

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Arrangement Directorate,  
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off Yedseram Street, Maitama,  
Abuja, Nigeria.

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# Customs Vows To Generate More Revenue In 2023

## ■ Reshuffles Management Staff

## ■ Onne Port Generates Over N500 bn In 2022

By Majeed Salaam

The Nigeria Customs Service (NCS) has vowed to accelerate revenue collection in the country, in the year 2023.

Mr. Hameed Ali, Comptroller-General (CG) of NCS, stated this recently at the decoration ceremony of the three newly-appointed Assistant Comptroller-Generals, and other officers of the Service, which recently held at the Customs headquarters in Abuja.

According to the 2023 appropriation bill recently signed by President Muhammadu Buhari, the customs revenue stood at N639.65 billion, between January and November 2022.

The federal government said that the customs collections for the period (comprising import duties, excise, fees, and special levies), exceeded the target by N15.42 billion – representing a 102 percent performance in revenue generation.

fmfinsights had reported that the NCS raked in N1.293 trillion between January and June 2022 as revenue for the federation, after the target was increased to N4.1 trillion at the beginning of the said year.

Speaking at the decoration ceremony, Mr. Ali noted that they have taken it upon themselves to accelerate revenue collection for the federal government.

“I do not know how to say this, but I have to say it that the nation depends on us to generate revenue. We must do all that we need to do to get that money,” he said.

“We must also work hard and ensure that we facilitate trade because that is what will bring in the revenue. Wherever you find yourself as an officer, you must conduct yourself as an officer, in or outside the uniform.”

Meanwhile, Mr. Ali charged the newly promoted officers to be good ambassadors of the organisation.

He said that the responsibility of the NCS was to ensure that they do not disgrace the service, and by that commitment, it means that in whatever they do, on-duty and off-duty, they must behave as responsible officers.

“Promotion comes with a lot of responsibilities. Every step you go in your service, you become more visible. The expectations from [you] are going to be more and you will be given assignments that will get you to be visible,” the CG said.

“Let me congratulate all of you and say this is a step forward. Today at the NCS, we have been able to streamline our processes with regards to promotion. We have a standing operational procedure.

“I want to assure every customs man and woman that if you work hard and maintain good conduct, and you pass your exams, I bet you, promotions are at your beck and call.

So, let me use this medium to, once again, impress on all of us to take our jobs seriously. Our attitude is gradually changing; we are taking this service seriously. We are now realising why we are in this uniform. I have always said that once you make up your mind to wear this uniform, please, give it



Mr. Hameed Ali, Comptroller-General (CG) of NCS

the respect that it deserves.

“It is a great opportunity that out of the over 200 million people, 15,000 of us are today representing Nigeria in this service. It is a great thing of pride and I expect us to work with our heads high.”

Following the statutory retirement of some officers of the NCS, Mr. Hameed Ali has approved the appointment and redeployment of the agency’s management members to enhance strategic and effective service delivery.

The National Public Relations Officer, Compt. Timi Bomodi, in a statement, said that 20 officers were elevated to the management level.

Industrial Incentives; BA. Adeniyi (Ag. DCG) Strategic Research and Policy; Mr. GA Itotoh (Ag. DCG) Training and Doctrine Command; Mr. O Peters (Ag. ACG/Zonal Coordinator Zone ‘D’); Mr. AI Alfa (Ag. ACG) Strategic Research and Policy.

Others are: Mr. HJ Swomen (Ag. ACG) Excise, Free Trade Zone and Industrial Incentives; Mr. KC Egwuh (Ag. ACG) Training and Doctrine Command; MBA Musa (Ag. ACG) Tariff and Trade; Mr. A Dappa-Williams (Ag. ACG) Enforcement Inspection and Investigation; Mr. BM Jibo (Ag. ACG) Headquarters; Mr. A. Hamisu (Ag. ACG/Commandant Nigeria Customs Command and Staff

The command, in the year under review, collected N242 billion from duty paid on imported goods.

The Controller of the command, Comptroller Mr. Auwal Mohammed, noted that the 2022 revenue generated represents a 28.3 percent increase against the amount generated in 2021 and a 59 percent increase over revenue generated in the year 2020.

“The command revenue generation profile has continued to rise annually due to the ongoing reforms in the command, which include regular sensitisation of stakeholders, strict enforcement of extant guidelines, increased disposition of officers and men to put national interest above self,

**We must also work hard and ensure that we facilitate trade because that is what will bring in the revenue**

While thanking the retired members of the management team of the agency for their meritorious service and support, Ali congratulated the newly-appointed officers, charging them to redouble their efforts in ensuring the service achieves greater heights in its mandates of revenue generation, suppression of smuggling and trade facilitation.

The breakdown of the appointments is as follows: Mr. EI Edohe, Deputy Comptroller-General (DCG) Finance Admin and Technical Service; Mr. HK Gummi (DCG) Tariff and Trade; Mr. M Abba-Kura (Ag. DCG) Enforcement Inspection and Investigation; Mr. AG Saidu (Ag. DCG) Human Resource Development; Mr. JP Ajoku (Ag. DCG) Excise, Free Trade Zone and

College); Mr. Y. Salihu (Ag. ACG) Finance and Admin; MI Yusuf (Ag. ACG) ICT/Modernisation; SA Bomai (Ag. ACG Board); Mr. CK Niagwan (Ag. ACG) Finance, Admin and Technical Services; and Mr. KI Adeola (Ag. ACG), Training and Doctrine Command.

Meanwhile, Customs has disclosed that in 2022, it processed 1,096,646.14 metric tonnes of goods for export through Onne Port in Rivers State.

The Free on Board (FOB) value of the export was \$1.268 million equivalent to N522 billion (at N411.7 per dollar).

The Customs’ Command in the port also recorded N2.7 billion for the Nigeria Export Supervision Scheme (NESS), higher when compared with the 2021 record of N881 million.

strategic deployment of officers to various duty post,” he stated.

In the same vein, The CG Strike Force Unit, Zone A, of the NCS has recovered N5.8 billion from fraudulent importers who refused to pay accurate duty to the federal government coffers.

Speaking at a press conference on the activities of the unit in 2022, the team lead, CGC’s Strike force, Mr. Mohammed Yusuf, in Lagos disclosed that the unit intercepted N5.8 billion from Demand Notice (DN) from fraudulent importers between January- December, 2022, while the unit also seized different contrabands worth N9 billion.

He added that the year 2022 witnessed a robust anti-smuggling drive marked by tremendous success by the unit.

According to the Strike Force Unit boss, items seized in 2022 included 225mg of tramadol, 100mg of sildenafil citrate, codeine cough syrup, used tyres, bales of second-hand clothing, bags of foreign parboiled rice, containers of timber, pangolin scales, slabs of Donkey skin, Cannabis sativa.

He said: “The sum of N5.8 billion was generated as revenue through demand notices from January to December 2022. Let me once again sound this as a warning to all unpatriotic importers and their agents who go the extra mile in daring us. We shall not only make seizures, but our ever-vigilant operatives will also get them arrested to face the full wrath of the law.”

Speaking further, the CGC strike Force said that it intercepted 5,124 kilograms of Cannabis Sativa, along the coast of Lekki, Lagos.

The Customs Comptroller said that the contraband with an estimated duty paid value of N516 million, was intercepted following a credible intelligence in January 2023.

He added that the contrabands were being moved directly from the boat to trucks before his men intercepted them.

“On the cannabis, it was intercepted following a credible intelligence. We intercepted it somewhere around Lekki, along the coast in the midnight. On getting there, we saw a lot of men loading the contrabands from the vessel directly into the truck, despite the sea waves. Immediately our officers got there, they discovered that they have already loaded the first truck; they were loading the second and third truck.

Mr. Yusuf said that they were able to take one truck because it has already been loaded, parked outside and was waiting to be taken out before his men busted the perpetrators.

He also said that in the same January, the team also seized 705 bags of 50 kilograms of foreign parboiled rice with a duty paid value of N42 million and also 11 bales of second-hand clothing with a duty paid value of N3 million.

Also, the Murtala Muhammed International Airport (MMIA) command of the NCS generated N20.9 billion revenue in the full year 2022. This represents a 9.1 percent increase in revenue generation when compared to N19.05 billion recorded in 2021.

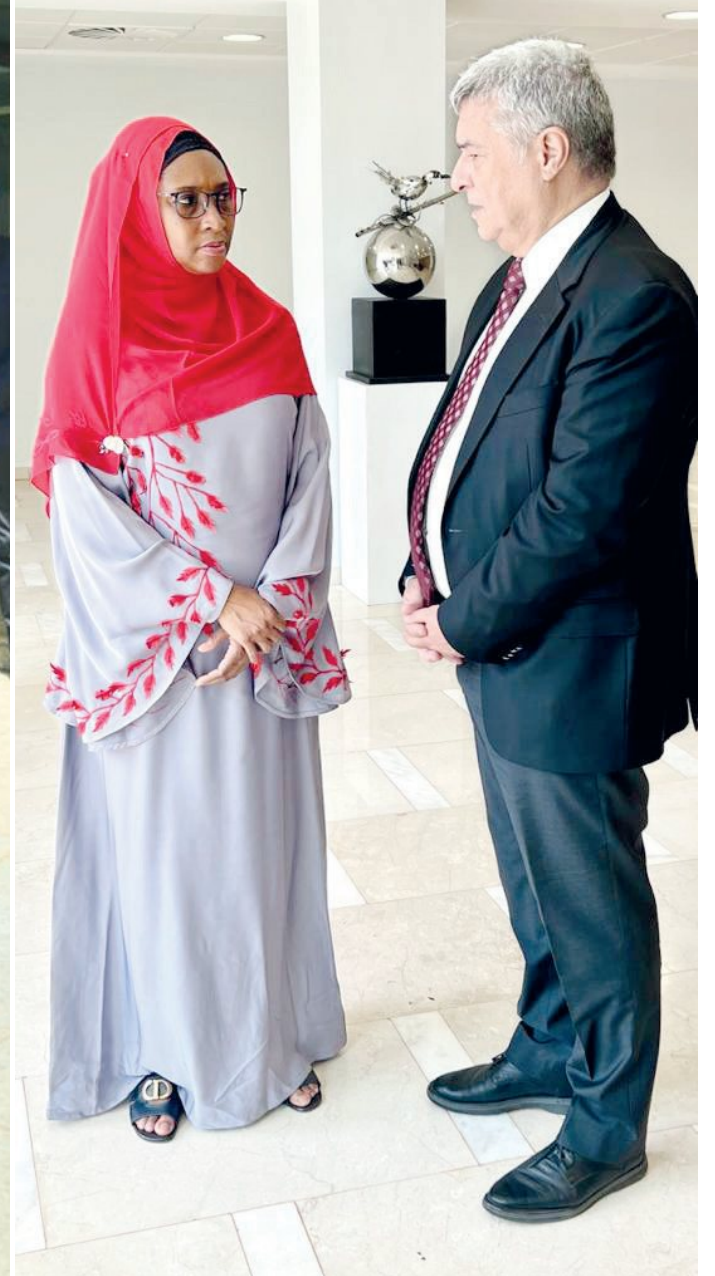
Speaking to newsmen in Lagos recently, the Customs Area Comptroller, Mr. Mohammed Gidado, stated: “In rounding up the revenue collection at the end of December 2022, the MMIA Command had a smiling end of year sum of N20.9 billion for the period of January to December, 2022. While in 2021, the sum of N19.05 million was the revenue collected within same period.

“Comparing between the 2021 and 2022 revenue collected, there is an increased collection of N1.8 billion due to an improved integrity of passengers in the declaration of goods and high level of compliance towards voluntary payment of duty. During the December 2022 review, the Command collected the sum of N1.75 billion”.



# CONDOLENCE VISIT

The Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Shamsuna Ahmed** (CON), paid a condolence visit to the Turkish Ambassador to Nigeria, **Hidayet Bayraktar**, over the unfortunate earthquake in Turkey which has claimed over 20,000 lives. Mrs. Ahmed prayed for the repose of the souls of the deceased persons.





# Nigeria Not Shaking With \$34 bn Foreign Reserves

It is reiterating that although the projected global economic recession for 2023 appeared inevitable, with about \$34 billion in Nigeria's foreign reserves, the projected headwinds (not exclusive to Nigeria) should not pose much threat to the country.

It is quite likely that there will be a global recession. From the reports we have seen from the World Bank and the International Monetary Fund (IMF) and other forecasts, it appears almost certain that there will be a global recession. How it will affect the globe, of course, will be different from sub-region to sub-region. But clearly, there is going to be a decline in growth on a general basis.

Even China was predicted to see a reduction in growth, partly because of the sustained economic impact of the COVID-19 pandemic.

The entire world is having it rough and tough; there has been the resurgence of COVID-19 in some developed economies, especially in China, and also the effect of the Russia-Ukraine war can be felt globally.

The implemented quantitative easing policy by central banks across the world also contributes to high cost of interest, resulting in high inflation rate, which means people's spending power is weakened as a result. So, there are all indications that there will be a global recession, just as Mrs. Zainab Shamsuna Ahmed, Honourable Minister of Finance, Budget and National Planning, would say.

On the question of how Nigeria intends to weather the coming headwinds and whether Nigeria has enough foreign reserves as it did in 2008, when it had reserves of over \$60 billion, it is still worth stating that at \$34 billion, it is enough to sustain imports at least for six months.

It is true we had higher reserves during the first global recession. Our reserves now stand at \$34 billion. So that is still a healthy level. It means we are able to meet at least six months of imports and other expenses into the country.

It also means that we can withstand another global shock if we are able to carry through a coordinated response between the monetary, fiscal as well as trade authorities. We have learned a lot from the experience that we went through during the COVID-19 pandemic. And it showed that when policy makers plan collectively, the nation can actually withstand the shocks.

The last recession in Nigeria was short-lived because of the coordinated response, which had not just the government, but also private sector contributing to the efforts, including scaling back on some categories of government spending.

Nigeria is not in dire trouble because President Buhari has done well in the area of infrastructural growth, among others, even as the non-oil sector outperformed the cash cow, crude oil, by a wide margin, a testimony to the efforts of the current administration to diversify the economy.

Is not it gratifying to say that if you look at the numbers, the performance of the 2022 budget, you will see that oil and gas sector contribution was about 35

**POLICY BRIEF**

*with*

**ENAM OBIOSIO**




percent, while the non-oil sector had the largest contribution. And not only that, but that the non-oil sector contribution outperformed the budget by a very large proportion.

For example, company income tax outperformed the budget by 158 percent. So, there are some critical measures that have been taken, that have enabled the non-oil sector revenue to grow quite significantly on a consistent basis.

Obviously, the oil sector's contribution that was minimal in 2022 is looking good, likely to pick up in 2023. The measures that the government has taken, a combined effort of security and intelligence agencies

work, have resulted in improved production from the oil and gas sector.

Should all this continue as it looks, most of the fields that were previously not producing at the expected levels can now produce at maximum capacity. And also, it is to note that the oil price of the international market is still at a very reasonably high level.

The government is doing a lot to encourage investments in gas. Right now, the government is looking to new and additional incremental streams also from the gas sector, for the country to be able to meet its expectations.

Nigerians and the entire world should not forget that the government not long ago also introduced some new excise duties as some taxes, the full effect of which is to be seen in this year.

President Buhari-led government is conscious that the country must rev up its revenue collection efforts in relation to debt, because it had embarked on borrowing to pay petrol subsidy.

It has been working to improve on its revenue so that the revenue-to-debt service ratio improves. Again, the government has had to borrow to be able to invest in the nation's infrastructure. Do not forget that when this present administration started, the nation had an infrastructure stock of about 22 percent. Now it has been able to move the stock to 35 percent.

These are investments that are required to grow the economy on a sustainable basis. Apart from taking expansionary stand to spend its way out of recessions, is eager to free up funds to be channelled into the critical areas of the economy. On fuel subsidy removal, it would be advisable to remove, as the present administration strongly believes, the fuel subsidy, rather than waiting for June to withdraw payments which would then so badly hurt Nigerians.

Where there is not enough revenue for the government to buy the refined petroleum products, it had to borrow to buy the petroleum products. So, if the government can free up about N3.25 trillion, it is going to be a significant relief for all.

Since President Buhari never wanted to contemplate a situation where measures that are further going to burden the citizens are taken, the decision was to extend the period of subsidy removal from June 2022 to 18 months, beginning from January 2022.

So, in June this year, the country should be able to exit the subsidy era, even as there has been consistent saying by almost everybody that this thing needs to go.

So, the idea that the subsidy costs in the federal budget should not exceed the N3.23 trillion is, for the government, part of the entire process pushed towards the best for the majority of Nigerians. So, the idea that the subsidy costs in the federal budget should not exceed the N3.23 trillion is, for the government, part of the entire process pushed towards the best for the majority of Nigerians.

However, what could suggestively be safer for the current administration is to maybe start at the beginning of the second quarter to remove the fuel subsidy, because it is more expedient to remove it gradually, than to wait and move it all in one big swoop.

Looking at everything that the government has been working on to further and ensure the development of the economy, apart from the very brief stated above, Nigeria is not in dire or exclusive trouble, even with \$34 billion foreign reserves, which could trend upward before the end of this present administration, as some agents would paint it.

**Nigeria is not in dire trouble because President Buhari has done well in the area of infrastructural growth, among others...**