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UN And International Tax Community Should Embrace Universally-Inclusive Tax System

EDITORIAL

For Nigeria to have again called on the United Nations (UN) and the international tax community to forge an inclusive, equitable, fair and universally beneficial tax system towards the attainment of the 2030 sustainable development goals (SDGs), is quite heartening.

The Executive Chairman, Federal Inland Revenue Service (FIRS), Mr. Muhammad Nami, recently made the call when he delivered Nigeria's statement at the Economic and Social Council (ECOSOC) special meeting on International Cooperation in Tax Matters, at the ECOSOC Chamber, of the UN recently in New York.

The UN ECOSOC Special Meeting on International Cooperation on Tax Matters is an annual meeting of ECOSOC members, senior representatives of national tax authorities, relevant international organisations, civil society and academia that discuss issues of taxation as they affect the world.

Members, during the meeting, delivered action-oriented exchanges and designed best-practices on international tax matters.

We are pleased that Mr. Nami noted that the Nigerian delegation is concerned about the global minimum tax as put forward by the Organisation for

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Subsidy Must Go: Fails To Address Suffering, Plights Of Low Income Earners

• As FG Gets $800m World Bank Subsidy Palliative

By Enam Obiosio

Federal government has secured $800 million concessionary loan from World Bank, targeting 50 million vulnerable Nigerians or 10 million households, as part of palliative measures for petrol subsidy removal.

The concessionary loan, which comes ahead of the planned subsidy removal in June 2023, was disclosed by the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, at the weekly Federal Executive Council (FEC) meeting chaired recently by President Muhammadu Buhari.

Mrs. Ahmed told the meeting that engagements are ongoing with the newly established Presidential Transition Council (PTC) and the incoming administration, to drive the palliative program, which includes the need for buses, among various considerations.

Last year alone, Nigeria spent about 3,271,934,406,053.75, an average of 272,661,200,504.48 on keeping fuel subsidies. Experts have said that the process of subsidising the petroleum industry is hugely inefficient and does not add value to government's revenue drive. Many have claimed that it does not alleviate the sufferings of low-income earners nor end fuel scarcity.

While some people are taken aback by the government's decision to remove the subsidy, others believe subsidy did not exist in the first place. That it is surcharge that exists and not the subsidy.

All this points to too much inefficiency in the Nigerian oil industry; there has been inconsistency in the pricing of the product across different states in the country. The product is not sold at an official rate in different states, except in the Federal Capital Territory (FCT).

Beneficially, both the government and the petroleum product marketers have justified the decision to increase the pump price of petrol, explaining that the decision has taken into consideration developments at the international oil market, where prices of oil have been recording recoveries.

On the basis of the development at the international market, the government has reiterated its position that the subsidy on the refined product, premium motor spirit (PMS) or

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

Buhari Commends NESG On Open Government Partnership PG 3

NDIC Boss Assures Depositors Of Safety Of Savings In DMBs PG 14

Buhari Commends NESG On Open Government Partnership

• It's Part Of Our Commitment To Fight Corruption - Agba

By Musa Ibrahim

The President of the Federal Republic of Nigeria, Muhammadu Buhari, has commended the Nigerian Economic Summit Group (NESG) on the success of the Open Government Partnership (OGP) initiative.

In a letter to the NESG, dated 14th March, 2023, President Buhari commended the OGP National steering committee in Nigeria chaired by the Honourable Minister of State, Budget and National Planning, Prince Clem Agba, and the Chief Operating Officer/ senior fellow, public policy and strategic management of the NESG, Dr Tayo Aduloju.

The commendation was for them taking the lead to make the OGP a reality while assuring the development partners and the international community who supported the process of developing the OGP action plan of Nigeria's commitment to fostering more inclusiveness to policy approaches that strengthen institutions for the remaining period in office.

The President also reiterated the need to rebuild the trust of stakeholders in public institutions, noting that this can be achieved through the implementation of the OGP National Action Plan III, which would help increase transparency and accountability and eventually help achieve national prosperity.

Recall that on the 19th of December, 2019, representatives of the NESG and the Federal Ministry of Finance, Budget and National Planning became substantive Co-chairs of the OGP Nigeria for two years.

The representatives of the NESG served two years as incoming Co-Chair, and two years as substantive Co-chair Non-state actor with the term expiring in August 2022, before the President graciously asked the NESG to continue to serve until after the general elections.


President Muhammadu Buhari

The OGP is a multilateral initiative that aims to secure concrete commitments from national and subnational governments to promote open government, empower citizens, fight corruption, and harness new technologies to strengthen governance.

In the spirit of multi-stakeholder collaboration, OGP is overseen by a steering committee, including representatives of governments and civil society organisations.

OGP participating countries co-create a National Action Plan (NAP) with civil society. The action plans are 'the driving device' for OGP as it is the instrument through which government and civil society develop their agreed reforms, or commitments, every two years.

Prince Agba said that President Muhammadu Buhari is committed to joining the OGP global family as its 70th member as part of efforts to fight corruption and improve governance in the country.

The Honourable Minister said that since joining in 2016, the country had developed and implemented two action plans organised around transparency, access to information, anti-corruption, citizen engagement, service delivery, inclusion and extractive transparency.

Prince Agba disclosed this at the official signing ceremony of a memorandum of understanding (MoU) between Corporate Affairs Commission (CAC) and the OGP in Abuja, Nigeria's capital. He said that the signing ceremony was an affirmation of CAC's commitment to the principles of open governance in Nigeria.

He explained that the signing of the MoU would enable the OGP Secretariat to formally take "physical possession of the property that the Registrar-General (RG) of the CAC offered for the release of the Commission's Zone 5 office, with a view to ensuring its judicious use".

Prince Agba noted that the spacious and conducive office would be basic of the onerous duties and responsibilities of the Secretariat of the OGP. He appreciated the CAC, especially the RG, for its benevolent gesture which would, "in no small measure, contribute to the entrenchment of the workings of the OGP revolution" which was kick started in Nigeria in 2016.

He said that Nigeria had also been accepted into the membership of the beneficial ownership leadership group because of its avowed commitment to stamp out corruption and block illicit financial flows.

Prince Agba stated that the country's aspiration in joining the leadership group was to strengthen "our international alliances towards a more seamless coordination for tracking illicit flows from Nigeria to anywhere around the world."

"I take this opportunity to appreciate the collaborative efforts of the RG in ensuring that Nigeria sets the pace in the development of a Beneficial Ownership Register in the African sub-region," the Honourable Minister enthused.

Prince Agba noted that for its tenacity in fighting corruption, Nigeria at the last OGP Global Summit in Seoul, South Korea, which held from December 15 to 17, 2021, won the OGP Impact Award – "for our commitment to Beneficial Ownership."

This global award was in recognition of the nation's resolve to press forward with OGP reforms, he said. He emphasised that the nation was striving to make the OGP work in Nigeria, saying: "I assure you that we will ensure that the facility will be put to good use in fostering the institutionalisation of openness, transparency, accountability and inclusiveness in the Nigerian governance process.

"With the imminent roll out of the NAP III, these achievements will be consolidated upon by facilitating the full deployment and optimisation of the Beneficial Ownership Register."

He reiterated that the OGP, as a co-creation idea, found this partnership with the CAC exemplary, while challenging other stakeholders to take a cue from the CAC in co-creatively advancing the OGP cause in Nigeria.

The RG of the CAC, Alhaji Abubakar Garba, in his response, said that the CAC felt a sense of responsibility to support the OGP initiative. He said that OGP needed all the support so that it could do more.

DMO Says New Borrowings, Promissory Notes, Others Behind Rise In Nigeria's Public Debt

• Offers Two FGN Savings Bonds At N1000 Per Unit

By Musa Ibrahim

The total public debt stock consisting of the domestic and external debt stocks of the federal government of Nigeria (FGN), the sub-national governments (36 states governments) and the Federal Capital Territory (FCT) now stands at N46.25 trillion as at December 31, 2022, the Debt Management Office (DMO) has disclosed.

This signified an increase of N1.65 trillion over the N44.6 trillion posted in the previous quarter. The comparative figure for December 31, 2021, was N39.56 trillion or $95.77 billion.

In terms of composition, the DMO explained that the N46.25 total debt stock had a domestic debt component of N27.55 trillion ($61.42 billion) while total external debt stock was N18.70 trillion ($41.69 billion).

Meanwhile, the total public debt to gross domestic product (GDP) ratio for December 31, 2022, was 23.20 percent, which the DMO said that it indicated a slight increase from the figure for December 31, 2022, at 22.47 percent.

"The ratio of 23.20 percent is within the 40 percent limit self-imposed by Nigeria, the 55 percent limit recommended by the World Bank/International Monetary Fund, and the 70 percent limit recommended by the Economic Community of West African States," DMO said.

The agency adduced reasons for the increase in the total public debt stock, saying it included new borrowings by the FGN and sub-national governments, primarily to fund budget deficits and execute projects.

The issuance of promissory notes by the FGN to settle some liabilities also contributed to the growth in the debt stock, it added.

The DMO noted that on-going efforts by the government to increase revenues from oil and non-oil sources through initiatives such as the Finance Acts and the strategic revenue mobilisation initiative were expected to support debt sustainability.

However, an analysis of the latest debt data showed that external debt service gulped $2.4 billion ($2,405,467,502.58) between January and December 31, 2022. Over $1.45 billion ($1,450,299,481.56) or 60 percent of the total external debt service cost went into servicing commercial loans (Eurobonds/ Diaspora Bond) between January and December.

The sum of $618.613 million ($618,613,241.22) or 26 percent of the total external debt service cost was used to service multilateral loans while $336.554 million ($336,554,779.80) or 14 percent went into bilateral loans service.

The amount of debt sloshing around the global economy witnessed its first annual drop in dollar terms since 2015, with a $4 trillion decline in 2022, a recent report by the Institute of International Finance (IIF), the global association of the financial industry has also said.

Despite the drop, the IIF's report states that the amount of developing world debt, including Nigeria's, hit a new record high of $98 trillion, with Russia, Singapore, India, Mexico and Vietnam seeing the largest rises.

Nigeria's public debt burden, including the N22.7 trillion ways and means advances from the Central Bank of Nigeria (CBN) has continued to balloon, and is projected to hit N77 trillion or $171.8 billion (at the exchange rate of N448/$ when the tenure of the current administration terminates on May 29.

The IIF's report notes that: "The external public debt burden of many developing countries worsened due to sharp losses in local currencies against the dollar."

Meanwhile the DMO has announced offers for two FGN savings bonds for subscription at N1, 000 per unit.

The agency said that the offer would be opened on April 3, 2023 and close by April 7, 2023.

In a statement recently, DMO said that the first offer is a two-year FGN savings bond due in April 12, 2025, at an interest rate of 10.033 percent per annum.

The second issuance, the agency said that, is a three-year FGN savings bond maturing on April 12, 2026, at 11.033 percent per annum interest rate.

The organisation said that the settlement date is April 12, 2023, while interest payments on the offer would begin on July 12, 2023; with subsequent payments to be made quarterly (October 12, January 12, and April 12) after the indicated date.

DMO said that the bonds are subject to a minimum subscription of N5,000 in multiples of N1,000 thereafter, and a maximum subscription of N50 million.

The agency also said that the interest is payable quarterly while bullet repayment (principal sum) is on maturity.

The debt office said that the FGN savings bonds qualify as securities in which trustees could invest under the Trustee Investment Act.

"They also qualify as government securities within the meaning of the Company Income Tax Act (CITA) and Personal Income Tax Act (PITA) for tax exemption for pension funds," DMO said.

"They are listed on the Nigerian Stock Exchange Limited and qualify as liquid asset for liquidity ratio calculation for banks.

"They are backed by the full faith and credit of the FGN and charged upon the general assets of the country."

The DMO further asked interested investors to contact stock broking firms appointed as distributors.

Subsidy Must Go: **Fails To Address Suffering, Plights Of Low Income Earners**

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petrol, has to go and would never return, so that the cost of petroleum products would henceforth be determined by the factors of the international crude oil market.

Mrs. Ahmed, who advanced the government's decision on the issue while speaking at a session, had stressed that incurring further costs on under-recovery has now been stopped permanently.

In her words: "Specifically, in relation to the extractive industry, we took the opportunity to remove fuel subsidy that has been a significant drain on our resources and on the economy.

The government has decided to do this by adopting a price modulation mechanism, and the government strongly looks to remove the fuel subsidy provision from its revised budget and also from the Medium-Term Expenditure Framework (MTEF) for 2021-2023. Therefore, it would not nurse any plans to incur any expenditure on fuel subsidy, going forward.

What that means is that the price of petrol will be determined by the global price of crude oil, so the price will keep changing, according to how the global market operates.

The Minister of State for Petroleum, Mr. Timipre Sylva, would say that Nigeria was no longer in the business of fixing fuel prices, and that global oil price crash had made removing the subsidies inevitable.

"It is about the survival of our country," he said. Also recall that while declaring that removing subsidy was the way to go, he disclosed that the government was spending over N1trillion yearly on under-recovery, a development he described as unsustainable

Based on reports submitted to Federation Account Allocation Committee (FAAC), while the total of NNPC cost-under-recovery for 2020 was N63,689,544,114.74, an average of 5,307,462,009.56, that of 2021 was 1,266,305,102,000.27, an average of 105,525,425,166.69; and that of 2022 was 3,271,934,406,053.75, an average of 272,661,200,504.48. All these were between the months of January and December.

Memorably, Nigeria started subsidising its petroleum industry in the 1980s after the state-owned company, Nigerian National Petroleum Corporation (NNPC), had planned to unify the price of crude oil in accordance with the global market. But then-incumbent Head of State, Olusegun Obasanjo, reasoned that average Nigerians would not be able to afford a gallon of petrol at the pump. He instead introduced subsidy plan to keep the price of petrol low.

Recall, Mr. Ibe Kachikwu, Former Minister of State for Petroleum, had said that a large volume of petroleum products was diverted by corrupt senior government officials. He also said that the officials connived with marketers and transport owners to divert already subsidised fuel from depots to neighbouring West African countries.

In December 2015, after many years of providing fuel subsidy, the Nigerian government announced a withdrawal of the subsidy. The reason given was that the government could no longer afford the payment due to a dip in the country's revenue, caused by the huge drop in crude oil prices at the international market. At the time, the subsidy withdrawal led to no increase in the pump or retail price of petrol at local stations, only because oil prices in the international market had fallen so low that the full economic cost of supplying a litre of petrol was lower than local retail price.

Subsequently, about four years after, oil prices at the international market were beginning to rise again, putting familiar upward pressures on unregulated local retail price of petrol. Precisely in April 2016, with the intention of soaking up the inflationary pressures and keeping pump price of petrol at its then level of N86.50 per litre, the government announced the return of the subsidy.

Apparently, the indecision surrounding the subsidy issue has been a recurring theme for a long time; this is just one of the reasons that the subsidy should be removed. According to the Nigerian Ministry of Petroleum, removing fuel subsidies will lead to more players and competition in the oil industry.

On foreign exchange crisis as it affects the industry, the Nigerian government determines how much foreign currencies private businesses receive to import fuel into Nigeria. There are a few oil refineries in the country, but most of them are unable to meet domestic demand. Hence the country relies on fuel importers to fill the gap.

But due to less availability of foreign currencies in the Nigerian market, fuel importers have had to turn to local (black markets) sources. This means fuel importers have to spend more local currency (Naira) on buying the dollar. Fuel importers hence have a major influence on the prices of fuel. So, low fuel prices at the international market, does not automatically translate into low fuel prices in the country.

In analysing the economic importance of the fuel subsidy, the subsidy affects the local pump price of petrol directly and – based on the law of demand – the quantities of petrol consumed by Nigerians indirectly.

Apparently, the indecision surrounding the subsidy issue has been a recurring theme for a long time; this is just one of the reasons that the subsidy should be removed

The two variables are respectively important; although Nigeria is a crude oil-producing state, the nation does not – mainly due to mismanagement of her refineries – refine its crude oil into component fuels, one of which is the petrol. Instead, the country exports the crude oil produced, and imports the refined products for most of the domestic consumption. Thus, domestic pump prices of petrol, if unregulated by the government, will ordinarily fluctuate with crude oil prices at the international market.

To insulate Nigerians from the fluctuation, the government fixes a local pump price or retail price which is usually different from the full economic cost of supply. The government then either pays off the deficit or earns the excess, depending respectively on whether the fixed retail price is lower or higher than the full economic cost of supply at a particular point in time. Often, the amount the government pays in deficit is what is called the fuel subsidy.

Now, why is it necessary that the fuel subsidy be removed, from an economic perspective? First, it ties down a large amount of government spending and places a fiscal burden on the economy, particularly when there is a huge difference between oil prices at the international market and subsidised domestic retail price of petrol.

According to Bloomberg, the country spends on average whopping $7billion on fuel subsidy annually. Often, the fiscal burdens are financed by some combination of higher public debt, higher tax burdens, and crowding out of potentially productive public spending (for example, on health, education, and infrastructure), all of which could be a drag on economic growth.

Secondly, the subsidy or the support fund imposes large economic costs from certain negative influence. For instance, as a result of the fund, a unit of petrol in the country is cheaper than in some neighbouring countries. And this creates an arbitrage in which money-sniffing capitalists take advantage of the price differential and smuggle out the product to neighbouring countries for sale, solely to make more profit. Thus, the Nigerian government does not just subsidise its citizens, it also somewhat does the neighbouring countries.

Another aspect of the aforementioned negative influence from the fund is corruption. Due to inexplicable inaccuracies in the record of the volumes of refined oil imported into the country, funds used to pay the subsidy are sometimes mismanaged or unaccounted for.

Again, why it is necessary to remove the subsidy? Like other energy subsidies, the petrol subsidy is provided mainly to serve the social goal of reducing fuel cost and increasing access among the poor and currently unserved households. However, energy subsidies in general have proven to be an ineffective and inefficient way to achieve the desirable social goal. As has been previously argued, the fund particularly leaves Nigeria's economy porous to corruption and create loopholes for costly leakages.

In the event that crude oil prices have fallen sharply, as witnessed in June 2014, and are expected to stay low for a considerable period of time, and that the country's crude oil-dependent revenue dwindles, the need to address this issue is as evident as it is very pressing.

So, how should the fuel subsidy issue be tackled? The fundamental problem created by the subsidy is that the local retail price of petrol does not reflect its true costs, including the externalities its consumption creates such as air pollution damage to the health of others through climate change, heart disease, asthma, etc.

To heed the demand to allow market forces determine the pricing of petroleum products is arguably the best of options. Two years ago, the Petroleum Products Marketing Company (PPMC), a subsidiary of the Nigerian National Petroleum Corporation (NNPC), announced an increase in petrol price of N151.56 to N162 per litre and directed all operators in the petrol retail business to comply immediately. The development was hinged on the deregulation of the downstream petroleum sector, whereby market forces are to determine prices of petroleum products.

The new price with its cost-reflective nature is expected to help to improve product availability and attract investments to the sector as marketers now have increased margin.

Expectedly, due to the sensitive and controversial nature of petrol pricing in the nation's polity, the announcement received mixed reactions. While the government and those sympathetic to its decisions and policies as well as operators in the Nigerian downstream petroleum sector supported the hike in petrol price, some other Nigerians who feel that the increase would add to the hardship being experienced by the poor masses in the COVID-19 pandemic period, kicked against the new price and called for its review.

Then, at the heat of the dwindling crude oil price and its negative impact on other economic activities, which plunged many countries, especially the oil-dependent ones into revenue crisis, the federal government had approved the deregulation of the petroleum sector.

In rare radical step, it had announced an end to the wasteful petrol subsidy and also ended the sole importer status of the NNPC, paving the way for private marketers to resume importation of petroleum products.

Meanwhile, the marketers and other stakeholders in the nation's petroleum downstream sector, speaking on the issue of subsidy removal across the country are unanimous in their views that the decision to allow market forces to determine the price of petrol was not only healthy for the downstream sector but was good for the Nigerian economy which has been quite burdened with the subsidy system.

The Chairman of the Major Oil Marketers Association of Nigeria (MOMAN), Mr. Adetunji Oyebanji, said that the association has welcomed the government's action in allowing the market to determine prices, noting that this would prevent the return of subsidies while allowing operators the opportunity to recover their costs. He said this will, in the long run, encourage investment and create jobs.

He explained that though prices at the pump would need to be adjusted to reflect realities of the increase of ex-depot prices by the PPMC, the magnitude of the increase, timing and location would be determined by the individual company.

Mr. Oyebanji, who expressed the views of his members in a statement, said: "Consistent with global best practices, MOMAN does not dictate prices to its members as this would be anti-competition in a fully deregulated market."

The MOMAN chairman, however, called on the Ministry of Petroleum Resources to intensify its public awareness drive to educate the populace on the current realities.

"The Ministry of Petroleum Resources should also be telling Nigerians that we can no longer afford subsidy. If we keep it, the investment in infrastructure, health, education, etc., will not be possible. We are borrowing so much to finance our budget. We spent over a trillion naira on subsidy the other year. It is unsustainable", he said.

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

At Global Meeting FIRS Renews Call For Fair International Tax Practices

● Partners NEPZA For Seamless Tax Operations In Free Trade Zones

By Majeed Salaam

The Federal Inland Revenue Service (FIRS) has again called on the United Nations (UN) and the international tax community to forge an inclusive, equitable, fair and universally beneficial tax system towards the attainment of the 2030 sustainable development goals (SDGs).

The Executive Chairman of FIRS, Mr. Muhammad Nami, said this when he delivered Nigeria's statement at the Economic and Social Council (ECOSOC) special meeting on International Cooperation in Tax Matters, at the ECOSOC Chamber, of the United Nations Friday in New York.

The United Nations Economic and Social Council (UN ECOSOC) Special Meeting on International Cooperation in Tax Matters is an annual meeting of ECOSOC members, senior representatives of national tax authorities, relevant international organizations, civil society and academia that discusses issues of taxation as it affects the globe.

Members, during this meeting, deliver action-oriented exchanges and design best-practices on international tax issues.

Nami noted that the Nigerian delegation is concerned about the global minimum tax as put forward by the OECD – Inclusive Framework, because of its low rate and the way it was negotiated to benefit the home countries of multinationals.

"My delegation is concerned about the global minimum tax," Mr. Nami noted, "because of its low rate and the way it was negotiated to benefit the home countries of multinationals, which are mostly in developed countries."

Speaking further, the head of Nigeria's apex tax authority urged the meeting to discuss how "a UN instrument on tax cooperation can both build on work that has already been done in a way that guarantees fairness and equity."

He also said Nigeria looks forward to views on "enforcement mechanisms for a binding multilateral tax convention, noting the challenges that developing and developed countries have experienced with investment treaty

Mr. Muhammad Nami, Executive Chairman of FIRS

arbitration."

The FIRS boss pointed out that the capacity of countries to attain the 2030 Sustainable Development Goals were hinged on having the requisite funding "in delivering critical public services" towards these SDGs.

Nigeria, while calling for a global taxation regime under the United Nations, harped on the importance of enhancing domestic resource mobilisation among member states to address their economic challenges.

"The promotion of inclusive International Tax Cooperation remains a critical subject in the attainment of the 2030 Sustainable Development Goals (SDGs).

"Today a global taxation regime under the UN is urgently needed to enable States effectively mobilise domestic revenues to address the multiple economic and other crises impacting our efforts in the achievement of the 2030 SDGs.

"Domestic public resource mobilisation is critical to this effort because of its vital role in delivering critical public services and advancing even progress towards the sustainable development agenda.

"Developing countries are taking seriously the challenge of financing sustainable development. My delegation underscores the importance of enhancing domestic resource mobilisation, good governance and investment in our common African goal embodied in the Agenda 2063, and in the global goals spelled out in the 2030 Agenda," Nami said.

He further commended African countries for strengthening their participation in international tax cooperation efforts, as well as the strides they have made "in closing loopholes and countering base erosion and profit shifting."

He, however, expressed concerns that "while much good work has been done, much more remains to be made towards a fully inclusive process, both domestically and internationally and ensuring that all taxpayers are making their fair contributions."

In another development, the Nigeria Export Processing Zones Authority (NEPZA), says the Authority's collaboration with FIRS on tax administration is promoting smooth tax operations in free trade zones in the country.

The Managing Director/Chief Executive of NEPZA, Prof. Adesoji Adesugba in an interview recently recalled that the agency had in June 2022 signed a Memorandum of Understanding (MoU) with the FIRS for effective administration of taxes in the free trade zones.

According to Adesugba, it is ensuring effective administration of taxes applicable in the operation of zones under NEPZA.

He said that the collaboration recorded cumulative free zones' investment of 30 billion dollars while contributing more than N40 billion to the country's Gross Domestic Product (GDP) in 2022.

Adesugba also said that the agreement had corrected the wrong notion that enterprises in zones do not pay tax at all. "This widely held notion remains misplaced.

"The MoU on tax administration was to ensure the adherence of Section 19 of the NEPZA Act which mandates free zones enterprises to file returns for statistical and record purposes.

"Such information makes public the records of sales, purchases and other key operations of the enterprises as the Authority may require from time-to-time. This requirement is also contained in the Finance Act of 2022," he said.

Adesugba also said that Section 8 of the Act approves those enterprises operating in zones to be exempted from all federal, state, and local government's taxes, levies and rates.

"However, they are under obligations to pay all deferred taxes, including duties when they extend their transactions to the customs territory. So, the widely held notion that enterprises in zones do not pay tax at all remained misplaced.

"The new understanding which led to the signing of the MoU has corrected this wrong notion. For instance, the personnel of the over 500 enterprises that operate in the 46 free zones are dutifully complying with PAYE tax. These monies are automatically generated and paid to the FIRS in the locations they work," Adesugba said.

He said that NEPZA ensured the new schedules were followed strictly.

"And to that extent, the MoU has been effective. If otherwise, the Authority wouldn't be in the position to manage the cumulative free zones' investment of 30 billion U.S. dollars while also contributing over N40 billion to the country's GDP as at 2022.'

NAICOM: **Insurance Industry's Assets Grow To N2.32tn**

● Gross Premium Income Hits N726.2bn In Q4

● As Finance Minister Urges NAICOM To Boost Sectors' Contributions To GDP

By Anita Dennis

Recently, National Insurance Commission (NAICOM) released the performance report of the insurance sector which showed positive growth in assets and revenue. Musa Ibrahim analyses the report.

The total assets of the insurance industry stood at N2.32 trillion in the fourth quarter of 2022, representing a 2.4 percent, expansion quarter-on-quarter and 4.4 percent year-on-year, the NAICOM disclosed recently.

Also, gross premium income (GPI) totaling about N726.2 billion was generated by the sector in the review period. In addition, insurance claims reported during the quarter stood at N318.2 billion, representing a 31.2 percent quarter-on-quarter growth, while net claims paid amounted to N244.3 billion. This represented a growth of about 17.9 percent quarter-on-quarter.

This was contained in bulletin of the Insurance Market Performance for the period under review.

The report notes that total assets was however relatively at a lower momentum compared to the prior period when the progression rate was recorded at about nine percent year-on-year due to the wave of recapitalisation drive recorded in that period.

However, the report states that, "outlook of the market growth in terms of assets remained positive, with the increasing measures of market deepening and development, recapitalisation drive still ongoing, regulatory insurance laws and provisions enshrined in the insurance bill, being reviewed and, digitalisation of the supervisory wide processes would lead to the realisation of the vast potential in the insurance industry", the commission stated.

The GPI performance represented a growth of about 36.3 percent quarter-on-quarter and about 18 percent year-on-year. The improvement in the market indices was attributable to the growing awareness and market expansion as well as consumer's confidence.

Data on the non-life segment showed that motor insurance led with regards to claims settlement vis-à-vis gross claims reported at about 92.3 percent signifying a nine point's improvement as against its prior position.

Fire insurance was the least with about 46.3 percent, and the only class below average proportion. Others included general accident insurance (80.7 percent), oil and gas (51.6 percent), and marine and aviation (74.4 percent). This was relatively at a lower momentum compared to the prior period when the progression rate was recorded at about nine percent (YoY), attributable to the wave of recapitalisation drive recorded in that period.

The report adds that there was continuous improvement in retention propensity, increased market size and industry profitability, compared to the preceding quarter. The results were particularly remarkable given the real growth 3.5 percent of gross domestic product (GDP) over the same period.

The positive data was attributed to the consistent regulatory measures being carried out by the commission in recent times which had restored some measure of professionalism in insurance practice thus boosting public confidence.

Non-life business maintained its dominance, contributing about 57.4 percent to GPI relative to the share of the life business which stood at 42.6 percent, similar to the preceding quarter. According to the market update, the proportional significance of life in the industry sustained a positive course in recent times reflective of the consumer's confidence and awareness.

Further analysis of the non-life segment of the insurance market showed that oil and gas business sustained its market share dominance at 30.25 percent, representing an increase of 2.4 percent compared to Q3. Fire insurance accounted for 22.2 percent maintaining same pattern of contribution to the gross premium pool of the market while motor insurance accounted for 14.9 percent.

Other contributors to GPI in Q4 include marine and aviation 12.2 percent, general accident 11.1 percent and miscellaneous 9.5 percent. However, life business was driven by individual life portfolio which accounted for 38.6 percent even as its relative contribution fell by about 2.6 percent compared to Q3 which recorded 41.6 percent.

Group life contributed 34.5 percent to GPI while annuity business contributed 26.9 percent during the period under review. The commission however pointed out

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EDITORIAL

UN And International Tax Community Should Embrace Universally-Inclusive Tax System

CONTINUES FROM COVER

Economic Co-operation and Development (OECD) – Inclusive Framework, because of its low rate and the way it was negotiated to benefit the home countries of multinationals.

We are glad for Mr. Nami to have at the meeting raised our concern about the global minimum tax: "My delegation is concerned about the global minimum tax," Mr. Nami noted, "because of its low rate and the way it was negotiated to benefit the home countries of multinationals, which are mostly in developed countries."

It is quite understandable that he spoke swell for Nigeria, having urged the meeting to discuss how a UN instrument on tax cooperation could both build on work that has already been done in a way that guarantees fairness and equity.

We stand by the fact that Nigeria looks forward to views on enforcement mechanisms for a binding multilateral tax convention, noting the challenges that developing and developed countries have experienced with investment treaty arbitration.

The FIRS boss pointed out that the capacity of countries to attain the 2030 SDGs were hinged on having the requisite funding "in delivering critical public services" towards these SDGs.

Nigeria, while calling for a global taxation regime under the UN, harped on the importance of enhancing domestic resource mobilisation among member states to address their economic challenges.

For us, the promotion of inclusive International Tax Cooperation remains a critical subject in the attainment of the 2030 Sustainable Development Goals (SDGs).

It is absolutely worth noting that today a global taxation regime under the UN is urgently needed to enable states to effectively mobilise domestic revenues to address the multiple economic and other crises impacting our efforts in the achievement of the 2030 SDGs.

The point, just as Mr. Nami said, is domestic public resource mobilisation is critical to this effort because of its vital role in delivering critical public services and advancing even progress towards the sustainable development agenda.

We want the international tax community to understand that developing countries are taking seriously the challenge of financing sustainable development, and we, therefore, join the Nigerian delegation to underscore the importance of enhancing domestic resource mobilisation, good governance and investment in our common African goal embodied in the Agenda 2063, and in the global goals spelled out in the 2030 Agenda.

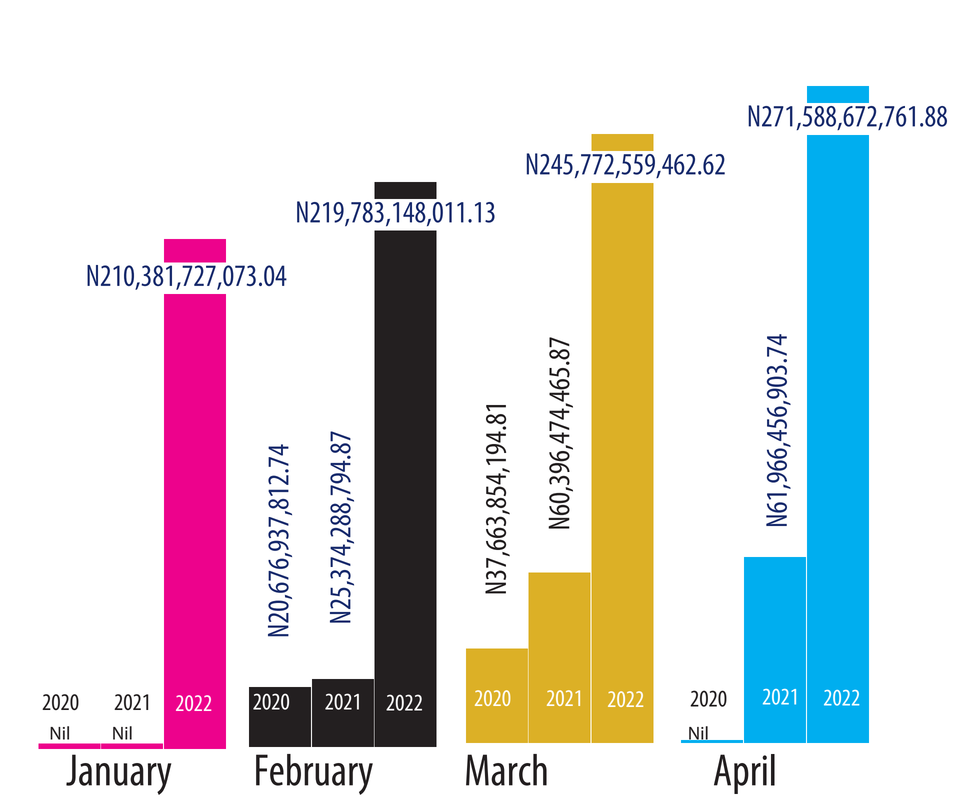
Mr. Nami has done the country proud in that Nigeria's tax compliance rate used to be significantly low compared to other countries, especially given the weak revenue administration capacity to deal with evasion and lack of data mainly around the informal sector.

The present administration has vehemently pursued tax reforms that are geared towards achieving a business-friendly environment and simplified tax administration. The federal government on this established the Presidential Enabling Business Environment Council (PEBEC) to address issues associated with the ease of doing business in Nigeria. As part of its commitment to achieving its objective of creating a conducive business environment in Nigeria, some of its initiatives have been with regards to paying taxes.

We are also of the concern that while much good work has been done, a lot more remains to be made towards a fully inclusive process, both domestically and internationally, and ensuring that all taxpayers are making their fair contributions.

NNPC Cost-Under-Recovery 2020-2022 Based On Reports Submitted To FAAC

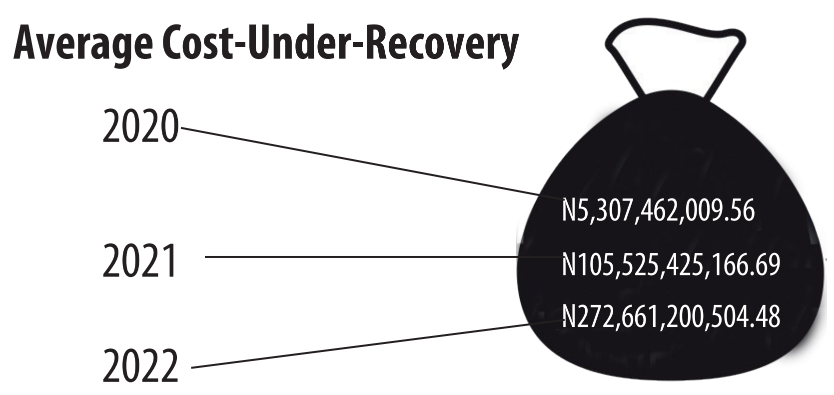
Cost-Under-Recovery, January-April



Cost-Under-Recovery, September-December

	2020	2021	2022
September	Nil	N149,283,084,869.20	N341,937,201,245.33
October	Nil	Nil	Nil
November	Nil	N131,400,236,846.95	N361,732,514,585.87
December	Nil	N270,831,143,856.56	Nil

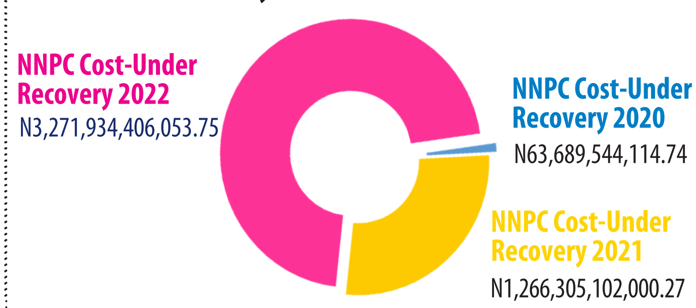
Average Cost-Under-Recovery



Cost-Under-Recovery, May-August

	May	June	July	August
2020	Nil	N5,348,752,107.19	Nil	Nil
2021	N126,298,457,944.36	N164,337,097,352.49	N103,286,281,752.62	N173,131,639,213.61
2022	N327,065,907,048.06	N319,176,182,836.31	N448,782,119,154.91	N525,714,373,874.60

Total Cost Recovery For 2020-2022



NEWS IN PICTURES

R-L: Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** Permanent Secretary Finance, Federal Ministry of Finance, Budget and National Planning, **Mr. Aliyu Ahmed** and others at a dinner organised by the Honourable Minister for **Ms. Ayanda Dlodlo.**

Honourable Minister of Finance, Budget and National Planning, **Mrs. Zainab Ahmed,** presenting a gift to **Mrs. Ayanda Dlodlo** at the Dinner.

Rajab Abdulrahman Naibi: A Valuable Promise In The Nigerian Public Sector

By Jennete Ugo Anya

Improving performance monitoring and evaluation systems, public investment management and public service performance monitoring system are of great interests to Mr. Rajab, Abdulrahman Naibi. In other words, he has strong passion in ensuring that government efforts towards strengthening and institutionalisation of monitoring and evaluation system in Nigeria are truly entrenched across levels.

Having served at the top-level management as a development planning professional and policy advisor, Mr. Rajab, whose presence in the Nigerian public sector holds valuable promise for career peak, has been providing strategic management and administrative support and facilitating decision making on institutional reforms, implementing policy, projects and programmes approved by the government.

He has about two decades cognitive experience in public administration, development planning, financial systems and management including public finance, fiscal and monetary policy, capital market regulations/ operations, statistics, budget and expenditure management, Islamic finance, non-interest capital market instruments (Sukuk), and non-interest insurance (Takaful).

Over the years, he appears to have mastered essential and critical managerial and administrative skills: He has the ability to use economic theory to make predictions and develop hypotheses; the ability to analyse data to statistically answer questions; and the ability to communicate findings to a wide (non-economist) audience. He is one of the most stunt advocates of the idea that government is about the people.

Rajab is presently the Special Adviser to Hon. Minister of State for Budget and National Planning at the Federal Ministry of Finance, Budget and National Planning.

He was formerly Special Adviser to Hon. Minister of State for Industry, Trade and Investment. Then, he had facilitated and coordinated policy development in several key sectors of the economy and assisted the Minister in ensuring wide policy consultation process, building consensus and fostering understanding among key stakeholders. All this has been towards driving implementation of Nigeria Industrial Revolution Plan (NIRP) and Economic Recovery and Growth Plan (ERGP), amongst others.

Until his appointment as Special Adviser to Hon. Minister of State for Budget and National Planning, Mr. Rajab has been truly instrumental to the implementation of several

Mr. Rajab Abdulrahman, Special Adviser to the Honourable Minister of State for Budget and National Planning

initiatives to drive implementation of the Ministry's diversification and Industrialisation plan for the economy which has served as a blue print for achieving sustainable economic growth and development in Nigeria.

He has been particular about how economy functions and the long-term consequences of particular policies and decisions; believing that economic theory also ought to help individual businesses and investors make better decisions through a more thorough understanding of the effects of broad economic trends and policies on their own industries.

Mr. Rajab also served in several committees constituted by the government and facilitated the development of key National policy trusts of the government in line with objectives of ERGP [2016-2020].

It is his view that the business cycle can be managed by active government intervention through fiscal policy, where governments spend more in recessions to stimulate demand or spend less in expansions to decrease it. They also believe in monetary policy, where a central bank stimulates lending with lower rates or restricts it with higher ones.

Mr Rajab is passionate about making an impact on policy for better outcomes. He believes that the underlying economic principles of a government will say much about how the government approaches taxation, regulation, government spending, and similar policies. He notes, for the private sector, that by better understanding economics and the ramifications of economic decisions, investors can get at least a glimpse of the probable future and act accordingly with confidence.

As a development planning professional, he has demonstrated strong commitment for good governance and public policymaking, and his role as special adviser in the public service has truly offered an invaluable experience, having learnt so much from participation and guidance received which has help his understanding of the policy development process, analysis, governance and related research.

> As a development planning professional, he has demonstrated strong commitment for good governance and public policymaking

Mr. Rajab, who holds a B.Sc. Economics from University of Abuja, has also discovered how policy makers design, implement, analyse and evaluate policy, and he is equipped with the requisite skills to understanding the key rudiments, morals and ethical value concepts that should inform public policy. As a trained development planning professional, Mr. Rajab has the ability to develop the skills required to apply an economics context to policymaking as well as being able to apply the critical skills needed to design and implement policies informed by facts.

As a result, he began advocating government intervention to curb unemployment and correct economic recession. In addition to government jobs programs, he argued that increased government spending was necessary to decrease unemployment—even if it meant a budget deficit.

Mr. Rajab, who believes in the power of a good story, is equipped with best understanding and knowledge of public administration, policy formulation and regulations, including bureaucratic processes and procedures demonstrating his ability to lead and motivate outstanding teams toward achieving high organisational performance.

For him, economics travails over inflation could show that narrative matters at least as much as economic models, because amid the frenzy of number-crunching, investors could also take note of some intriguing research floating around.

Whereas economic experts could attribute price jumps to cyclical demand swings, Mr. Rajab is always conscious of the fact that consumers could blame supply issues, hence, perception, often heavily influenced by news media, should always be taken into consideration, because it usually causes consumers to project higher inflation for longer.

With the above scenario, Mr. Rajab would say that this shows that people would always seek to fit new information into pre-existing narratives. But what is also interesting to him is that the shape of the storytelling matters, since "narratives with a particular structure may affect people's actions by influencing the subjective beliefs they form from the data they observe". Of course, Mr. Rajab would note that all simplistic causal

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Rajab Abdulrahman Naibi: **A Valuable Promise In The Nigerian Public Sector**

Mr. Rajab Abdulrahman, Special Adviser to the Honourable Minister of State for Budget and National Planning

CONTINUED FROM PAGE 10

stories are essentially fictionistic, given that economic events arise from complex interactions in the economy.

He, who holds a Master of Science (M.Sc.) Degree in Management and Information System (Changes and Development) from University of Manchester, United Kingdom (UK), is an experienced public servant with a demonstrated application and competence working directly in the government's administration. The highlight of his key responsibilities and accomplishments, no doubt, speaks volume; he was appointed as a member of National Review Committee constituted by the government to review performance of Nigeria's previous National Development Plans (Vision 20:2020, Transformation Agenda, Economic Recovery and Growth Plan (ERGP) with a view to developing key macroeconomic indicators/parameters for a new successor plans (i.e. Mid-term National Development plan {2021-2025} and Nigeria Agenda 2050).

Apart from being appointed as a member of Implementation, Communication, Engagement Financing, Monitoring and Evaluation National Technical Working Group (NTWG), setup by the government for the preparation of Medium-Term National Development Plan (2021-2025), he also served as a member of a committee constituted by the government to review National Integrated Infrastructure Master Plan (NIIMP 2020-2043), and also contributed to the development of macroeconomic framework for the NIIMP, including aspects of its operational plan.

Mr. Rajab did coordinate the development of a work programme for the strengthening and institutionalisation of national Monitoring and Evaluation (M&E) system in Nigeria, and facilitated consultation meetings towards the preparation of the first ever National M&E Policy framework (2021-2025) and a National M&E Strategy for the country.

He served as a representative of Co-chair in GLOBE project and facilitated decision making towards mainstreaming Natural Capital Accounting (NCA) and United Nations (UN) System of Environmental Economic Accounting (SEEA) into Nigeria's development Agenda (National Development Plan {2021-2025}).

Mr. Rajab was appointed a member of Joint Planning Committee (Public Sector) for the Hybrid 28th Nigerian Economic Summit (NES) held in November, 2022, where he provided valuable contributions to the success of the programme as organised by the Nigerian Economic Summit Group (NESG).

He made the inauguration as a member of Technical Working Committee (TWC) that was set up to review the Strategic Plan (2014 to 2016) of the Federal Ministry of Finance, Budget and National Planning on the 9th November, 2022, and he also provided useful contributions that support decisions for the development of a draft Revised Strategic Plan (2023-2025) for the ministry.

Mr. Rajab did not only facilitate the implementation of government priority deliverables 2019-2023 approved for the Federal Ministry of Finance, Budget and National Planning, he also effectively coordinated a project monitoring committee set up to drive implementation of NIRP which was designed to accelerate the growth of manufacturing sector and diversification of the economy through collaboration with relevant agencies and departments of the ministry.

> Apart from strongly holding to the truism that prices, wages, and rates are flexible, he has continued to bring to bear his resourcefulness and hard work in his various endeavours...

He successfully executed a comprehensive policy review process for cotton, textiles and garments (CTG) sector revitalisation in Nigeria, including aspects of the design and development of Industrial Textile and Garments Parks as well as the implementation of national strategy for the revival of moribund textiles industry in Nigeria.

He facilitated and secured access of USD$300,000 technical assistance grant from Islamic Development Bank (IsDB) to support consultancy studies in the CTG sector to strengthen capacities in relation to government's revitalisation initiatives in the country. He as well facilitated consultation meetings for the implementation of Nigerian Franchise Agenda (2018-2019), and also conduct a National Franchise Survey to support the finalisation of passage of National Franchise Bill 2019 by the National Assembly.

Mr. Rajab did not only develop framework for the debut issuance of sovereign non-interest capital market instruments (Sukuk) in Nigeria but also collaborated through active participation in stakeholder committees constituted by the government for the purpose. He had provided advice on public financial management, in aspects of fiscal and monetary policy, and contributed to the formulation and implementation of medium-term fiscal frameworks encapsulated in the annual federal government's budget.

In 2013, he was appointed by Central Bank of Nigeria (CBN) as Project Assistant/Consultant on Non-Interest financial products deployed to Debt Management Office (DMO), where he served as one of the pioneer officers responsible for the debut issuance of Sukuk. He prepared a draft framework for the issuance of sovereign Sukuk in Nigeria.

Early in his career, he was first employed into the public service by National Bureau of Statistics (NBS) as administrative officer in the procurement and budget unit under the Office of the Statistician-General of the Federation.

Apart from strongly holding to the truism that prices, wages, and rates are flexible, he has continued to bring to bear his resourcefulness and hard work in his various endeavours both in the private and public sectors.

He is a certified member of several professional institutes/ organisations, both national and international, such as Fellow Chartered Institute of Administration (FCIA); Fellow Institute of Management Consultants (FIMC); Fellow Chartered Institute of Public Diplomacy and Management (FCIPDM); Certified Management Consultants (CMC); Member Nigerian Economic Society (NES); Member Project Management Institute (PMI); Member Nigerian Institute of Management (MNIM); Member Institute of Chartered Economics of Nigeria (ICEN); Chartered Institutes of Management Accountants (CIMA); acquired professional certificates in Islamic Capital Markets and Instruments; and also acquired a proficiency certificate in management.

Mr. Rajab is happily married and has children. He is passionate about impacting the lives of people positively, and always foraging for national development.

Customs Explains Why Seized Cars Are Not Auctioned Frequently

• Appoints Abdullahi Maiwada National PRO • Signs MoU With NDLEA Against Illicit Drugs In Nigeria

By Musa Ibrahim

The Nigerian Customs Service (NCS) has explained why seized cars are not auctioned frequently, saying that it is following a standard operating procedure for auctioning of vehicles and other intercepted items.

The service stated that it does not go straight to the auction phase when they seized contraband goods, noting that the process takes time.

The NCS noted that it does not organise seized car auctions frequently because there are procedures for clearing the items for auctioning.

According to the agency, vehicles seized in contravention of the law were categorised into Spec A, Spec B, and Spec C, noting that the third category of vehicles was usually in bad condition and used mainly for smuggling.

This was disclosed in an interview by its acting public relations officer of the service, Mr. Abdullahi Maiwada, recently.

He revealed that one of the procedures for auctioning seized vehicles is that they have to meet the required window before they are considered for auctioning.

He said that the service adhere to the standard operating procedure for auctioning of vehicles and other intercepted items, urging that contrary to allegations in some quarters that seized vehicles were abandoned in different commands across the country, there were procedures for clearing them.

"Once the first requirement was met, the list of vehicles would be sent to court for condemnation. What happens after the matter was taken to court was not within the control of the service. The service has no power to auction any vehicle until the court had given the go-ahead", Mr. Maiwada said.

He said: "the reason auctioning is not as frequent as people expect is that there are procedures for clearing items for auctioning. We do not intercept items and go ahead to auction them. It takes some time before we send them to court to be condemned for auction."

Other reasons he cited for auctions not being frequent includes longer court processes, as Nigeria does not have specialised courts for such dealings.

He said: "Court process takes a while because these courts handle other cases. There are no specialised courts that handle the matter specifically.

"We also ensure that seized items do not have anything to do with litigation, particularly from owners of the items before they are auctioned."

Customs also noted that there are categories of cars that could be auctioned by the service, citing that vehicles that can be auctioned are those bought by Customs and those seized in contravention of Customs law.

"Spec A vehicles are allocated to Ministries, Departments, and Agencies (MDAs) based on Presidential directive. Then, the MDAs are expected to pay the duty payable on those vehicles so that government does not lose revenue.

"The second category are the ones being uploaded on the e-auction platform."

"Recall that last year, the NCS officially released a circular announcing the reduction of import duties on both used and new vehicles.

In a statement by Timi Bomodi, former Customs national spokesman, the service said that the new duty rate for both used and new vehicles is now 20 percent as against the 35 percent usually paid. The statement noted that implementation would take effect immediately.

The service revealed that on April 1, 2022, it migrated from the old version of the Economic Community of West African States (ECOWAS) Common External Tariff (2017-2021) to the new version (2022-2026).

Col.-Hameed Ali retd, Comptroller General of the Nigeria Customs Service

Appoints Abdullahi Maiwada National PRO

Meanwhile, NCS has named CSC Abdullahi Aliyu Maiwada as its new National Public Relations Officer (PRO). The Comptroller-General (CG), Col. Hameed Ali (rtd), gave the approval recently.

Mr. Maiwada takes over from Comptroller Timi Bomodi, who has since been redeployed to Kirikiri Lighter Terminal (KLT) Area Command as Customs Area Controller.

The statement added that the new spokesperson holds a Bachelor of Science (B.Sc.) Degree in Education/Geography and a Master's in Environmental Management from Bayero University, Kano. He also possesses a Bachelor's Degree and Master's Degree in Mass Communication from Crescent University, Abeokuta.

The statement reads in part: "CSC Maiwada was enlisted into NCS as Cadet ASC in 2011. He had a stint as the Zonal Public Relations Officer Zone 'B' Headquarters Kaduna, PRO, Ogun Command, now Ogun I and II Area Commands.

"In 2020, he was deployed to headquarters and served as the pioneer Liaison Officer of the Nigeria Customs Broadcasting Network and later deputised for the outgone national PRO from January 2022 to February 2023.

"To fully embrace the service of public relations and the dynamics it offers, CSC Maiwada is an Associate Member of the National Institute of Public Relations (NIPR) and also holds full membership of the Association of Communication Scholars and Professionals of Nigeria (ACSPN)."

"He has attended numerous courses relating to Customs operations, trade facilitation, public relations, strategic communication and leadership."

Customs, NDLEA sign MoU Against Illicit Drugs In Nigeria

In another development, Chairman/Chief Executive Officer of the National Drug Law Enforcement Agency, NDLEA, Brigadier General Mohamed Buba Marwa (Retd), and Comptroller-General of the Nigerian Customs Service (NCS) Col. Hameed Ali (Retd), recently signed a Memorandum of Understanding (MoU) to enhance the ongoing onslaught against illicit drugs in the country.

This, both organisations believed, will inflict maximum loss on drug cartels bent on trafficking illicit substances at the detriment of Nigeria and Nigerians.

Speaking at a brief ceremony at the NDLEA National Headquarters in Abuja, Gen. Marwa expressed his delight at the decision by the two government agencies to document their working relationship in an MoU, saying that it would be of huge benefit to the country.

He said: "This is certainly a benchmark for information and or intelligence sharing. It is also a platform for sharing of operational and administrative experiences with a view to adopting best practices that work. With this united front, there can only be one assurance that the criminal elements in our society will definitely be the losers and I assure you that they will certainly lose big as we come for them to put them where they rightly belong and cripple their crime syndicates.

"While there is no doubt as to the benefits that this MoU will provide to our two services and the nation at large, it is my hope that its successful execution and implementation will provide the necessary impetus for extension to other sister law enforcement agencies (LEAs) operating at our airports, seaports and land borders. On this basis, it is imperative to drive the implementation of the MoU to ensure that its objectives and derivable are achieved.

"Therefore, on behalf of the NDLEA, I assure you of our commitment to this MoU and intend to provide all the necessary support required to drive the implementation process in order to ensure the realisation of all accruable benefits. As it is usually said, together we stand and remain undefeatable."

While stating the great significance of the MoU, Marwa said that the document contains a number of innovations that will encourage interpersonal relationship among the rank and file as well as at the various levels of command and administration of the two organisations.

"It provides for joint training of personnel just as it makes provisions for regular meetings of command officers at various levels of our command structures. These are the meetings of Commanders/Comptrollers of the various relevant formations, at the relevant directorates/departments of the national headquarters and at the highest level of policy making between the Comptroller-General of Customs and my office, Chairman/Chief Executive Officer, which is expected to take place at least twice a year.

"The expected outcome of these series of interactions is to foster better understanding of the respective roles and mandates of our two organisations and how they complement one another in a mutually inclusive way. The ultimate objective is to dissolve suspicion, friction and general interagency rivalry that does not do our nation any good, in terms of effectively securing the entry and exit points of our dear country. This will provide an effective defence line at our various ports of entry/exit to prevent the influx of offensive materials and substances that undermine our national security, and ensure that our national assets are not smuggled out to undermine our economic progress and stability."

The Customs Boss commended Gen. Marwa for initiating the MoU, as a notable committed leader all through his years in public service.

His words: "This MoU is sending a very strong signal to fighting crime. We believe that coming together shows commitment to saving this nation from drugs and other substances. I want to take this special opportunity to thank my senior for initiating this MoU. I must say something, he is a very committed person. It is not new to us in the uniform to see his strides, for those who have had the opportunity to serve with him. He is a game player and a game changer. When my attention was drawn to this initiative, I knew this was the Marwa trend. I thank him for initiating this event, and creating an avenue for us to synergise and come up with a veritable way for fighting drug abuse in this nation.

NAICOM: **Insurance Industry's Assets Grow To N2.32tn**

CONTINUED FROM PAGE 5

that amid operational challenges confronted in domestic and global economies, the industry continues to post inspiring numbers in premium retention capacity reflective of the market resilience and increasing capacity.

In the period under review, industry wide average retention ratio stood at about 71.3 percent, although slightly a point lower than it held in the previous quarter and four points lower in comparison to same period year-on-year.

Persistently, the life business retained about 93.3 percent compared to 93.8 percent in the preceding. In the non-life segment which also took a similar pattern, motor insurance continued its lead as the highest retaining portfolio with a retention ratio of about 93.5 percent.

Similarly, oil and gas recorded the least business retention at 35.9 percent. According to NAICOM, "the oil and gas portfolio lamentably remained a challenging angle in the market owing to its nature of enormous capital and professional requirements.

"Consequently, the retention performance in the current period sustained its prior position when compared to the third quarter as evidenced by the overall non-life business ratio of 55.0 percent, slipping from about 57 percent held in the prior period."

The report adds: "Statistics of the insurance market performance for the fourth quarter 2022 revealed consistent growth in terms of premium generation, quality improvements in essential indicators including claims settlement and profitability. It is obvious that the market could be ruled as sound and stable whilst, the stance of the market deepening remains optimistic in spite of operational and macro-economic challenges."

Meanwhile, the Honourable Minister of Finance, Budget and National Planning, Mrs. Zainab Shamsuna Ahmed, has maintained the federal government's commitment to driving insurance growth while urging the NAICOM to boost the sector's contribution to the GDP.

She also urged the commission to leverage technology to harness the abundant opportunities for growth in the insurance market by developing new innovative products based on data and customer preferences and introduction of new channels of distribution beyond the traditional channels to reach new segments of the market.

"There is also a need for cooperation with other agencies of government to enforce compulsory insurance in the country. Stakeholders in the industry must consciously and intentionally spread the reach of insurance from the major cities and few states to other regions of the country, especially the rural areas. Low penetration in the retail end of the market must also be addressed through vigorous drive of inclusive insurance like micro insurance and takaful.

"Dwindling government revenue profile demands that the commission must look into ways of increasing its revenue through the use of technology and the portal in particular. I urge the commission to ensure the portal is connected to other government databases like the National Identity Management Commission (NIMC) National Identification Number (NIN) database, Nigeria Immigration Service (NIS) Passport database, Nigeria Integrated Customs Information system, Federal Road Safety Commission's (FRSC) National Vehicle Identification System, the National Vehicle Registry, State Licensing Databases among others in order to provide value added services to all Insurance Industry stakeholders and enhance revenue generation," she stated.

NDIC
Nigeria Deposit Insurance Corporation
Protecting your bank deposits

NOTICE TO DEPOSITORS OF PEAK MERCHANT BANK (IN-LIQUIDATION)

The Nigeria Deposit Insurance Corporation (NDIC), the official Liquidator of the defunct Peak Merchant Bank (in-liquidation) is in the process of carrying out verification of the depositors of above named bank in-liquidation to effect payment of their Insured Deposits from **Wednesday 26TH April - Saturday 6TH May**.

LOCATIONS FOR VERICATION

Eket - 57 Heritage Bank Eket/Oron Road Eket
Akure - Bank of Industry BOI House Akure, Ondo State
Bonny - Bank of Industry BOI House Akure, Ondo State
Warri - 4 Airport Road Opposite Okesini Street Warri Delta State

In addition, all eligible Depositors of this bank can also meet NDIC officials at any of the underlisted NDIC Offices.

Abeokuta
No1 Oshele Road, Ibara GRA Abeokuta.
08033137255

Benin
28A & B Benoni Hospital Road Off Airport Road, G.R.A. Benin City
08023124220

Bauchi
Plot No. 3 Bank Road Bauchi
09127343434

Enugu
10 Our Lords' Street Independence Layout Enugu
08065996819

Ilorin
No 23B, Ahmadu Bello Way, GRA Ilorin
08023073975

Kano
Plot 44/45, Muhammad Muhammad Avenue, Off Maiduguri Road, Hotoro, G.R.A.
08133151192

Owerri
Plot 56, Area A, World bank Area, New Owerri Landmark, Behind Immaculate Hotel, Opposite Fidelity Bank Plc
09135137677

Port Harcourt
No. 104 Woji Road Off Olu Obasanjo Road GRA Port-Harcourt.
08054663230

Sokoto
No. 2 Gusau Road, Opposite NNPC Mega Station Sokoto
08033142546, 09077367736, 08033468446

Yola
No. 6 Numan Road P.M.B. 2227 Jimeta-Yola Adamawa State
08067910599, 08067923383

Head Office
Plot 447/448 Constitution
Avenue, Central Business District, Abuja
094601261

Lagos Office
23 A Marina, Lagos. P.M.B. 12881 Lago
07080517483, 08038112996, 08188559729
08067298386

Depositors can also visit the Claims Page on the NDIC Website: www.ndic.gov.ng for the verification of their claims or send an email to NDIC designated email address: claimscomplaints@ndic.gov.ng.

Director, Claims Resolution Department
Nigeria Deposit Insurance Corporation
Lagos Office
Mamman Kontagora House (8th Floor)
23a, Marina
P.M.B. 12881, Lagos
Website: www.ndic.gov.ng
e-mail: claimscomplaints@ndic.gov.ng

NDIC Help Desk:
0800-6342-4357
helpdesk@ndic.gov.ng | www.ndic.gov.ng

NDIC Boss Assures Depositors Of Safety Of Savings In DMBs

- Says Depositors Are Insured Up To Maximum Limit
- As NDIC Emerges ITF 2022 Best Contributing Employer In Human Resources Development

By Jennete Ugo Anya

The Managing Director/Chief Executive (MD/CE) of Nigeria Deposit Insurance Corporation (NDIC), Mr. Bello Hassan, has assured depositors that their monies are safe in deposit money banks (DMBs) across Nigeria.

The NDIC boss, who in his speech said this at the 34th Enugu International Trade Fair recently, clearly stated: "Depositors of DMBs, primary mortgage banks (PMBs), payment service banks (PSBs) and subscribers of mobile money operators (MMOs) are insured up to maximum limit of N500,000.00 per depositor per bank while those of micro financed banks (MFBs) are guaranteed up to a maximum limit of N200,000.00 per depositor per bank."

On the role of NDIC, as government agency, he said that it is to protect the depositors, especially the small savers, in the unusual event of a bank failure.

Mr. Hassan congratulated the executives and members of the Enugu Chamber of Commerce, Industry Mines and Agriculture (ECCIMA) on yet another achievement in their tireless efforts to collaborate with the government in encouraging trade and investment, not only in the South East geo-political zone but in the country generally.

According to Mr. Hassan, the fair's theme: 'Harnessing Nigerian Human Capital Resources for Global Economic Advancement' speaks volumes about how ECCIMA's programs and vision match the government's priorities in this regard.

He highlighted that NDIC has instructively noted the strong relationship between its mandate and the theme of this year's fair. The relationship, according to him, is by discharging its public policy objectives of protecting depositors in the event of bank failures and further offering a measure of safety for the banking system, thereby creating an enabling environment for the financial system to appropriately support the economic advancement of Nigeria.

Still on the mandate, "suffice it to say, the NDIC was established in 1989 as a critical component of the nation's financial system safety-net. The four broad mandates of the corporation are deposit guaranty, banking supervision, failure resolution and bank liquidation", he said.

"The corporation adopted participation in the Enugu International Trade Fair over the years, as platform for continuous sensitisation of depositors, and the general public on the existence of the deposit insurance scheme (DIS), its advantages, and its limitations. This is significant to us as it will enhance public confidence in the financial system," he also said.


Mr. Bello Hassan, MD/CEO of NDIC

He further said that the corporation protects depositors through the discharge of its mandate in four critical ways namely: By guaranteeing deposits in banks; supervising the banks in conjunction with the Central Bank of Nigeria (CBN) to ensure that they are run in safe and efficient manner in line with extant laws and regulations; resolving issues of distress in banks to reduce instances of failure; and ensuring orderly and efficient liquidation of failed banks to prevent disruptions to the payment system.

Mr. Hassan again stated that it is worthy to note that the corporation has been successfully and efficiently discharging its mandates from inception till date, living up to its public policy objectives and contributing to financial system stability. For instance, in the aspect of deposit guaranty, Mr. Hassan stated that NDIC has been highly responsive in providing coverage to all eligible deposits and accounts as they evolve in our banking system.

Apart from depositors of DMBs, PMBs and MFBs, the corporation has also been responsive by extending deposit insurance coverage to depositors of non-interest banks (NIBs), subscribers of mobile money operators (MMOs) and the recently introduced payment service banks (PSBs), according to him.

"Arising from the foregoing, the NDIC likes to reiterate to members of the public, particularly the teeming populace in the micro, small and medium enterprises (MSMEs) sector, and others in the informal sector of our economy that the safest, smartest and most prudent place to keep your money is in the formal banking system because the NDIC protects your bank deposits," he stated.

"Such deposits also enjoy the benefit of effective regulation and supervision of relevant authorities, and take people's hard-earned money beyond the ambit of illegal fund managers and loan sharks that currently awash the investment landscape and fleecing unsuspecting members of public," Mr. Hassan also said.

He further said: "However, as the unscrupulous elements get more and more creative in their ignoble acts, and as the NDIC and other regulatory bodies device more ingenious approaches to tackling the menace. It is pertinent for the corporation to continue to sensitise the public on their expected roles towards protecting their bank deposits.

Depositors are to ensure their phones have strong password and do not share their bank mobile app password with third parties; ensure no one is watching when they enter their Personal Identification Number (PIN) to perform transactions; ensure their token is secure and other parties do not have access to it; and ensure their debit card number and card verification value (CVV) are not exposed to people. Equally important is the need to avoid investment offers with quick and arbitrarily high returns."

Meanwhile, the Industrial Training Fund (ITF) has conferred the award of 'Best Contributing Employer in Human Resources Development' for the 2022 Service Year on the NDIC.

The award was presented to the corporation by the Director-General (DG) of ITF, Sir Joseph N. Ari, who was represented by the Abuja Area Manager and Deputy Director, Mrs. Hauwa Mohammed.

The ITF boss, in a release signed by Bashir A. Nuhu, Director, Communication & Public Affairs, NDIC, stated that the NDIC was the most compliant with the ITF Act through consistent periodic remittance of the statutory one percent of its total staff cost as stipulated by the Fund's Act.

The DG appreciated the corporation for its commitment and patronage of the ITF Training Centre, describing the NDIC's commitment and partnership with the ITF over the years as worthy of emulation by other government agencies.

Earlier in his acceptance remarks Mr. Hassan, represented by the Executive Director, Operations, Mr. Mustapha M. Ibrahim, appreciated the management of the ITF for recognising the corporation as the best contributing employer to the Fund.

He promised the corporation's continuous collaboration with the ITF towards enhancing capacity building for its workforce, stating: "Relationship between NDIC and ITF could be traced as far back as 1990. We, therefore, assure the ITF management of our continued support."

NDIC Commences Verification Of Insured Depositors Of Defunct Peak Merchant Bank

In line with its mandate of deposit guaranty and reimbursement of depositors in the event of bank failure, the Nigeria Deposit Insurance Corporation (NDIC) has commenced verification of insured depositors of Peak Merchant Bank in-liquidation towards payment of their insured sums.

According to a release signed by the Director, Communication and Public Affairs, NDIC, Bashir A. Nuhu, the verification exercise would enable depositors of the defunct bank to cross-check and ascertain their account information as well as balances with the bank as at closure. The release stated further that the process is a prelude to the payment of insured sums to such depositors. Depositors are therefore enjoined to visit the bank's old premises or the Corporation's office nearest to them with proof of account ownership and verifiable means of identification for the exercise.

The NDIC added that insured sum is the first and mandatory payment that depositors are paid, up to specified limit, if a bank fails. Depositors are paid amounts in excess of the insured sums subsequently, as liquidation dividends from proceeds of the closed bank's assets as realised by NDIC as liquidator.

It could be recalled that the banking licence of Peak Merchant Bank was revoked by the Central Bank of Nigeria on 27th February, 2003. However, the closing exercise by the Corporation was stalled as a result of prolonged litigation by shareholders of the defunct bank. The Matter was diligently prosecuted by the NDIC up to the Supreme Court. The Apex Court in November, 2022, dismissed all the prayers of the shareholders, thereby clearing the way for the verification exercise.

NSIA Assets Hit N1.02trn, Records N96.96bn Earnings In 2022

As Agency Reinstates Commitment To Delivering Increased Investments In Critical Sectors

The Nigeria Sovereign Investment Authority (NSIA) released its financial statement for the year 2022 which showed steady growth in the year under review. Musa Ibrahim writes.

The Nigeria Sovereign Investment Authority (NSIA), managers of Nigeria's sovereign wealth fund, recently announced a growth in its total assets to N1.02 trillion at the close of its 2022 financial year on December 31.

In the 2022 full-year audited results released recently, the investment institution said that the asset growth indicated a 10.5 percent increase from the N919.73 billion recorded in 2021.

The NSIA said that its non-volatile revenue, such as interest income, revenue from infrastructure business, and management fees earned from fiduciary activities, increased by 34.5 percent (N15.7 billion) year-over-year. It noted that its total comprehensive income stood at N96.96 billion in 2022, representing a decline of 34 percent compared to 147 billion in 2021.

The NSIA attributed the decline to strong macroeconomic headwinds. The institution said that although its earnings are lower than that of 2021, it remained confident in its investment strategy and would continue to explore opportunities to mitigate risks and achieve its investment objectives.

The NSIA said that the 2022 fiscal year was marked by unprecedented shocks, such as the COVID-19 lockdown in China, the Russia-Ukraine conflict, food and energy crises, supply-chain disruptions, soaring inflation, and monetary policy tightening, which impacted the financial markets. It also said that its well-diversified portfolio continues to provide the resilience to withstand market challenges as evidenced by the results.

Commenting on the result, the Managing Director (MD)/Chief Executive Officer (CEO) of NSIA, Aminu Umar-Sadiq, said that a respectable performance was recorded despite the challenges in the operating environment.

"Against market expectations and internal forecasts, the NSIA closed the 2022 financial year with a respectable performance. This result underscores the robustness of our diversified portfolio, and the excellent commitment of the team. "As we look to the future, the NSIA is resolute in its commitment to delivering increased investments in critical sectors of the economy, driving growth across its funds, and attracting third-party capital into Nigeria's infrastructure sector.

"In 2023, we will be resourcing our various platforms targeted at emerging sectors – renewable energy, sustainability, innovation, and healthcare – which will ensure the Authority achieves its dual objectives of delivering financial returns and impactful social outcomes," Umar-Sadiq said.

The key projects the NSIA delivered in 2022 cut across core sectors of focus and the implementation of specialised federal government initiatives.


Mr. Aminu Umar-Sadiq, MD/CEO of NSIA

Key Projects Driving Growth

The NSIA said that it is undertaking key projects that are fast tracking Nigeria's growth.

For instance, in the agriculture sector, there are Presidential Fertiliser Initiative and the opening of the Pandagric Novum farm, a joint venture between the NSIA and Signature Agri Investment for the cultivation of maize and soybeans and connected to a 147,000 metric tons per annum capacity poultry feed mill.

In the technology sector, the NSIA said that it introduced the NSIA prize for innovation (NPI) as a measure to stimulate the ingenuity of Nigerian innovators and technopreneurs to develop solutions that address real-world challenges with global application.

The NPI programme is a business enhancement initiative to support early-stage, growth-driven tech solutions through education, mentorship, and financing and recorded milestones in the gas industrialisation sector, healthcare, power and road.

Under its gas industrialisation initiative, the NSIA and its partner, OCP Group of Morocco, made significant progress in the development of 1.5MMT Ammonia and Di-Ammonium Phosphate production plants due to be sited in Akwa Ibom State.

The Authority said that the development of the project has reached an advanced stage, with all preliminary studies concluded: "The gas supply and aggregation agreement is being finalised with relevant parties, and financing is largely in place to ensure the delivery of the project."

On roads, the NSIA reports: "In the 2022 financial year, NSIA continued its development of various projects under the Presidential Infrastructure Development Fund (PIDF), namely the Lagos-Ibadan Expressway, Second Niger Bridge and Abuja-Kaduna-Kano Highway. These projects have reached advanced stages of construction, building on the successes of the 2021 financial year."

On healthcare, the agency reports: "NSIA has kicked off the roll-out of phase 2 of its healthcare projects on the successes of the LUTH Cancer Centre and its two diagnostic centres in Kano and Umuahia. During the year, the Authority secured approval and began developing 23 new modern medical diagnostic centers of excellence which will span across all six geopolitical zones in the country. Presently, two Oncology centres to be located in Enugu and Kaduna states, and six Cath Labs have advanced to the project execution stage.

"On another note, the NSIA has incorporated an equipment leasing company, Equilease. This is in fulfilment of the NSIA's commitment to bridging notable voids in the domestic healthcare value chain. Equilease was conceived to stimulate the proliferation of high-quality medical infrastructure in Nigeria by providing alternative financing options for acquiring critical medical equipment via equipment leasing."

On power, the NSIA reports: "NSIA completed the 10MW Haske solar power plant in Kano in 2022, as its flagship renewable energy sector project. The power plant was developed on behalf of the federal government and its subnational co-investors to provide off-grid electricity in the Kumbotso Local Government of Kano State."

On its future generations fund (FGF), it reports: "For the FGF, NSIA's approach is centered on generating healthy risk-adjusted returns, cautiously increasing market exposure, and growing the tactical allocation portfolio (ETFs) within the year. Overall, the Authority's portfolio delivered a return of 1.87 percent (in US$ terms) for the year ended 2022.

"The FGF outperformed its sovereign wealth funds peers by 10 percent on average, with private equity being the top-performing sector. Developed equity, hedge funds, and emerging long only equity posted a decline in the year due to prevailing macroeconomic market conditions."

On stabilisation fund (SF), NSIA said that it had largely invested in the U.S.'s sovereign debt instruments and investment grade corporate credit. It noted that at the end of December 2022, approximately 30 percent of the fund was invested in a portfolio of U.S. treasury bonds tracking the Bloomberg Barclays U.S. Treasury bond 1–3-year index. The fund returned 4.08 percent (in US$ terms) for the year.

On governance, the NSIA reports: "In the 2022 financial year, the pioneer MD/CEO, Mr. Uche Orji, completed his second and final tenure on September 30, 2022, and a new executive management team, led by Mr. Aminu Umar-Sadiq, was appointed by His Excellency, President Muhammadu Buhari in October of 2022. Two other executive directors, Kola Owodunni and Olubisi Makoju were appointed to the Board of NSIA". This internal sourcing of the new executives underscores the depth of the succession plan and the bench strength of NSIA."

Looking forward, the Authority said that it remains committed to managing Nigeria's sovereign wealth fund in a transparent, accountable, and competent manner. "The Authority's solid foundation, seasoned staff, and diverse portfolio will enable it to overcome any obstacles and provide long-term value to its stakeholders."

It stated that 2023 would be an equally challenging investment period due to the lingering effects of the Russia-Ukraine conflict, the activities of central banks of developed economies in curtailing inflation, and deglobalisation challenges. It added that the focus on environmental, social and governance (ESG), sustainability and climate finance would play a vital role in its investment approach and strategy, going forward.

The NSIA said that it would continue to drive direct investments in its core areas of healthcare, toll-roads, gas industralisation, technology, ESG, financial markets infrastructure, power and agriculture.

FG Appoints Shehu Kuta As Chief Registrar, Investment And Securities Tribunal

Pursuant to the provision of Section 282 (1) of the Investment and Securities Act, 2007, the federal government has approved the appointment of Mr. Shehu Kuta as Chief Registrar, Investment and Securities Tribunal (IST). The appointment is with effect from February 16, 2023. The post of the Chief Registrar Investment and Securities Tribunal became vacant on September 8, 2022 when the incumbent retired from service.

Prior to his appointment, Mr. Shehu Kuta was the Deputy Registrar/Director, Planning Research and Statistics, IST and the most senior lawyer in the IST. Since the departure of the former Registrar on 8th September, 2022, Mr. Kuta has been Acting in that position. He has put in 17 years in the IST.

The position of Chief Registrar is strictly for lawyers, therefore Mr. Kuta the most senior lawyer in the IST was appointed from within to fill the post in order to ensure a seamless transition and boost the morale of the staff in the IST and give them the hope that they can rise to the very top in the Tribunal. Also, this appointment appears to be in line with the leadership succession seen recently in other Agencies under the Federal Ministry of Finance, Budget and National Planning, where internal candidates were elevated to top positions.

It is noteworthy that Mr. Kuta has been a legal practitioner and capital market registrar, traversing the tribunal legal services department, registry department, administration and procurement department, technical operations department etc.

Mr. Kuta is a graduate of Usman Dan Fodio University, Sokoto, the Nigeria Law School, Lagos and Obafemi Awolowo University, Ile-Ife. Mr Kuta also studied at the Institute of Chartered Mediators and Conciliators', Abuja, Nigeria, The Chartered Institute of Taxation of Nigeria, Lagos, Institute of Capital Market Registrars, Lagos, Nigeria, and Bureau of Public Procurement. Among others, he specialises in investment and securities law, administrative law, public procurement law and regulations, and corporate management and finance law. He has enormous experience and skill in legal analysis, capital market analysis, securities registration, public procurement, legal drafting, mediation, law reporting, and law review.

In the course of his career Mr. Kuta has attended several courses both locally and abroad.

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Policy Support For Increased Investment In EMDE

POLICY BRIEF

with

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Not long ago, the World Bank downgraded Nigeria's 2023 growth by 0.3 percentage point to 2.9 percent from its previous projection of 3.2 percent.

The bank, who disclosed this in a report titled 'January 2023 Global Economic Prospects', said that the downgrade was due to production challenges in the oil sector, rising insecurity, and flooding.

Looking at this year, the report states: "In Nigeria, growth is projected to decelerate to 2.9 percent in 2023 and remain at that pace in 2024 barely above population growth.

"A growth momentum in the non-oil sector is likely to be restrained by continued weakness in the oil sector. Existing production and security challenges and a moderation in oil prices are expected to hinder a recovery in oil output.

"Policy uncertainty, sustained high inflation, and rising incidence of violence are anticipated to temper growth. Growth in agriculture is expected to soften because of the damage from last year's floods.

"As fiscal position is expected to remain weak because of high borrowing costs, lower energy prices, a sluggish growth of oil production, and a subdued activity in the non-oil sectors."

The bank also expects global growth to decline to 1.7 percent this year from 2.0 percent previous projection due to global recessions caused by the COVID-19 pandemic and the global financial crisis.

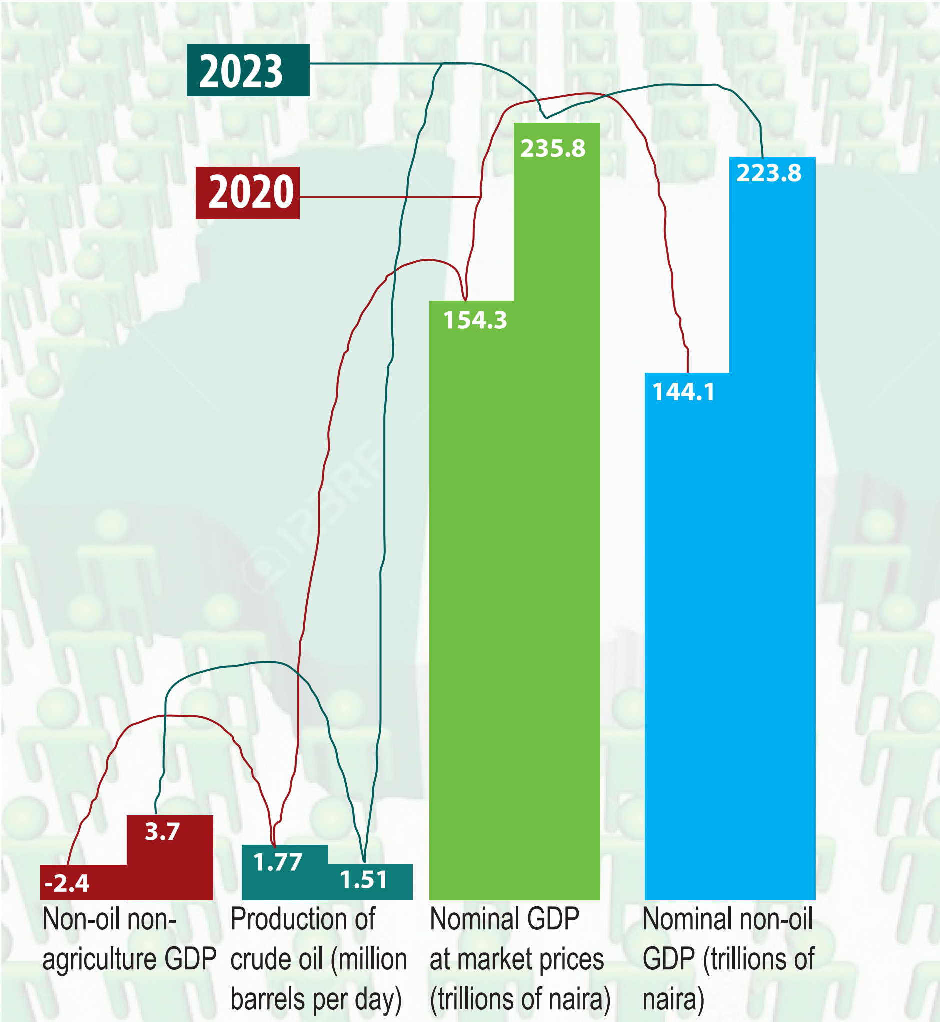
It states: "Global growth is expected to decelerate sharply to 1.7 percent in 2023, the third weakest pace of growth in nearly three decades, overshadowed only by the global recessions caused by the pandemic and the global financial crisis.

"This is 1.3 percentage points below previous forecasts, reflecting synchronous policy tightening aimed at containing very high inflation, worsening financial conditions, and continued disruptions from the Russian Federation's invasion of Ukraine.

"The United States (US), the euro area, and China are all undergoing a period of pronounced weakness, and the resulting spill overs are exacerbating other headwinds faced by emerging market and developing economies (EMDEs) to which Nigeria belongs.

"The combination of slow growth, tightening financial conditions, and heavy indebtedness is likely to weaken investment and trigger corporate defaults.

"Further negative shocks such as higher inflation, even tighter policy, financial stress, deeper weakness in major economies, or rising geopolitical tensions could push the global economy into recession.



"In the near term, urgent global efforts are needed to mitigate the risks of global recession and debt distress in EMDEs. Given limited policy space, it is critical that national policy makers ensure that any fiscal support is focused on vulnerable groups, that inflation expectations remain well anchored, and that financial systems continue to be resilient.

"Policies are also needed to support a major increase in EMDE investment, which can help reverse the slowdown in long-term growth exacerbated by the overlapping shocks of the pandemic, the invasion of Ukraine, and the rapid tightening of global monetary policy.

This will require new financing from the international community and from the repurposing of existing spending, such as inefficient agricultural and fuel subsidies."

In the near term, urgent global efforts are needed to mitigate the risks of global recession and debt distress in EMDEs

Obviously, economic conditions are still very fragile, and any new adverse development — such as higher-than-expected inflation, abrupt rises in interest rates to contain it, or escalating geopolitical tensions — could trouble the global economy the more. If it should result in a global recession, it would definitely mark the first time in more than 80 years that two global recessions have occurred within the same decade.

The sharp downturn in growth is expected to be widespread, more so for the Sub-Saharan Africa (SSA), the region which accounts for about 60 percent of the world's extreme poor, making the bank to say that growth in per capita income over 2023-24 is expected to average just 1.2 percent, a rate that could cause poverty rates to rise.

In his view, David Malpass, World Bank Group president, who disclosed earlier in the year that he will be stepping down from his position by June 30, 2023, would say that the crisis facing development is intensifying as the global growth outlook deteriorates.

"Emerging and developing countries are facing a multi-year period of slow growth driven by heavy debt burdens and weak investment as global capital is absorbed by advanced economies faced with extremely high government debt levels and rising interest rates. Weakness in growth and business investment will compound the already-devastating reversals in education, health, poverty, and infrastructure and the increasing demands from climate change," he said.

Meanwhile, in the said report, the World Bank's position is that the gross domestic product (GDP) levels in emerging and developing economies by the end of 2024 will be roughly six percent below levels, noting that, although global inflation is expected to moderate, it will remain above pre-pandemic levels.

Due to the government's pro-economic development policy and considering the data below, which briefly tell how the country's economy fared between 2020 and 2023, Nigeria has arguably done well.

Consistently from the past few years, the President Muhammadu Buhari-led government through the Federal Ministry of Finance, Budget and National Planning and the agencies under the ministry have been more intentional about its fiscal policies, proffering business-friendly initiatives that will help tackle the challenges affecting macroeconomic growth.

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