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President Tinubu's Administration Should Focus On High Economic Productivity Sectors, Address Infrastructure Deficit

EDITORIAL

The economy of Nigeria is a middle-income, mixed economy, and emerging market with expanding manufacturing, financial, service, communications, technology, and entertainment sectors.

In real terms, the non-oil sector contributed 95.66 percent to the nation's gross domestic product (GDP) in the fourth quarter of 2022, higher than the share recorded in the fourth quarter of 2021 which was 94.81 percent and higher than the third quarter of 2022 recorded as 94.34 percent.

The performance of the GDP in the first quarter of 2023 was driven mainly by the services sector, which recorded a growth of 4.35 percent and contributed 57.29 percent to the aggregate GDP, according to National Bureau of Statistics (NBS).

Nigeria's GDP growth rate stood at 2.31 percent in the first quarter of 2023, down from 3. 52 percent in the previous quarter. It fell by 0.8 percent point from 3.11 in the same period last year. The NBS said that the reduction in growth is attributed to the adverse effects of the cash crunch experienced during the quarter.

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DMO Total FGN Bonds Sales Represent 151.46% Oversubscription Of Amount Offered

• Nigeria Has Little Borrowing Space

By Jennete Ugo Anya

Following the Debt Management Office (DMO) re-opening of two 10Y, one 20Y, and one 30Y FGN Bonds worth N545.26 billion in May 2023, the total sales have represented 151.46 percent oversubscription of the amount offered.

The sales have also represented a 1.30 percent (N7.21 billion) month-on-month (MoM) decrease on the amount sold in April 2023 (N552.26 billion) for the same FGN bond maturities.

According to the Financial Markets Dealers Quotations (FMDQ) Markets Monthly Report for May, the sales also showed that the total value of corporate bonds listed on the FMDQ Exchange in May 2023 was N31.00 billion compared to the previous month which witnessed no listings.

In the month under review, the corporate bond listings emanated from issuers in the financial services and oil and gas sectors, respectively.

The report points out that consequent upon the development, the total outstanding value for corporate bonds increased MoM by 1.71 percent (N27.50 billion) from N1,609.49 billion in April 2023 to N1,636.99 billion in May 2023.

In another development, treasury bills valued at N324.43 billion were sold by the office across its auctions in May 2023.

The report shows that the value of treasury bills sold represents a 15.41 percent (N43.33 billion) MoM increase on the value of treasury bills sold across its auctions in April 2023 (N281.10 billion).

According to FMDQ, the Central Bank

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Ms. Patience Oniha, Director-General of DMO

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NEXIM Partners Fidelity Bank, Sapphital To Boost Nigeria's Export

Non-oil Sector Maintains Growth

*Nigeria's non-oil sector has been described as the new oil due to its huge potentials. In this report, **Musa Ibrahim** analyses the efforts of the Nigerian Export Import (NEXIM) Bank to drive non-oil export and the entire growth of the sector.*

As part of efforts to boost Nigeria's foreign exchange earnings, Nigerian Export Import (NEXIM) Bank has recently announced a strategic partnership with leading financial institutions, Fidelity Bank Plc and Sapphital Learning Ltd.

The partnership would help to improve the skills and performance of export businesses in the country by leveraging the NEXIM Export Academy (NEXA), an online platform that provides exporters with capacity-building training and access to finance to scale their businesses.

The NEXA platform which was launched with the support of Sapphital (a digital learning institute) in 2022, is designed to empower millions of businesses with resources needed to run successful export operations, perform at higher levels of quality control, and compete favourably in the global market. The platform aims to drive the growth of non-oil exports and foreign exchange by connecting all the stakeholders along the value chain to enhance learning, improve quality, and grow intra-African and global trade.

Speaking sometimes ago during the Memorandum of Understanding (MoU) signing ceremony held in Abuja, the Managing Director (MD) of NEXIM, Mr. Abba Bello, stated: "Part of the awareness the bank seeks to drive was to make people appreciate the fact and come to the knowledge that export is not only for big companies, especially now that small manufacturers or traders can trade across borders. We seek to drive the knowledge that will help entrepreneurs know the processes, documentation and the kind of compliances they need to adhere to in their quest towards export and import business."

On her part, the MD/Chief Executive Officer (CEO) of Fidelity Bank Plc, Mrs. Nneka Onyeali-Ikpe, noted that the bank has consistently championed the promotion of non-oil export and capacity building for players in the nation's export and import business.

In her words: "As a bank, we have always been at the forefront of growing the non-oil export business. We focused on our export banking business over the years and we have remained consistent in pioneering

Mr. Abba Bello, Managing Director of NEXIM

Mrs. Nneka Onyeali-Ikpe, MD/CEO of Fidelity Bank Plc

initiatives geared towards aiding capacity-building and access to capital for local exporters. The partnership provides an opportunity to deepen the conversations in the export space and more importantly, to create value for the players in the sector".

On the ultimate goal of the institute, the Founder/CEO of Sapphital Learning Ltd, Mr Amu Ogbeide, stated: "We want to grow the export market; we want more people to join and grow".

fmfinsights recalls that the NEXIM was established by Act 38 of 1991 as an export credit agency (ECA) owned by the Federal Ministry of Finance Incorporated (MoFI) and the Central Bank of Nigeria (CBN).

The NEXIM bank presently provides short and medium-term loans to Nigerian exporters. It also provides short-term

> ...the country's non-oil exports record for 2022 reached its highest since the establishment of the NEPC

guarantees for loans granted by Nigerian banks to exporters as well as credit insurance against political and commercial risks in the event of non-payment by foreign buyers. The bank is also the government's national guarantor under the Economic Community of West African States (ECOWAS) Inter-state Road Transit programme.

Meanwhile, available data from Nigeria Export Promotion Council (NEPC) has shown that Nigeria's non-oil exports grew by 39.91 percent in 2022 to $4.820 billion

Semi-processed and manufactured products made up 36.61 percent of the exports, beating agriculture's 30.12 percent volume, while precious stones made up 17.06 percent, and others 13.21 percent.

According to the NEPC, figures were retrieved from various pre-shipment inspection agents appointed by the federal government under the Pre-Shipment Inspection Act of 2004.

The council noted that the country's non-oil exports record for 2022 reached its highest since the establishment of the NEPC, 47 years ago, acknowledging export intervention programmes by the NEPC over the years.

According to the council, "About 214 different products ranging from manufactured, semi-processed, solid minerals to raw agricultural products were exported in 2022.

"Of these products exported, urea/fertiliser topped the list with 32.87 percent.

"The emergence of urea/fertiliser as the highest exported product in 2022 can be attributed to the Russia-Ukraine war which created an avenue for Nigeria's urea/fertiliser to thrive.

"It is worthy to note that our products were exported to 122 countries with Brazil recording the highest import value of 12.27 percent."

A breakdown of the non-oil performance by *fmfinsights* showed that 1,172 exporters participated, with Indorama-Eleme Fertiliser and Chemical Limited taking the lead with 23.25 percent.

"Thirty-one issuing banks participated, with Zenith Bank Plc processing the highest NXP values, 19 exit points were used with Apapa Port recording the highest tonnage.

"The month of December recorded the highest export value of 10.37 percent," it said.

The federal government already through the NEPC noted that non-oil export of Nigerian products was gradually diversifying from its traditional agriculture exports to semi-processed and manufactured products.

Recently, Executive Director of NEPC, De. Ezra Yakusak, noted that Nigeria is transforming its non-oil sector, also stating: "This is buttressed by the fact that out of the product group exported, agricultural products topped with 30.12 percent.

"Semi processed and manufactured products 36.61 percent and precious stones 17.06 percent and others 13.21 percent," he said.

However, stakeholders have reckoned that one of the major challenges of the non-oil sector is funding gap, which the NEXIM is currently addressing.

DMO Total FGN Bonds Sales Represent 151.46% Oversubscription Of Amount Offered

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of Nigeria (CBN) did not auction DMO Bills in the primary market for the fifth consecutive month in May 2023.

The report states that the total value of commercial papers (CPs) quoted on the FMDQ Exchange in May 2023 was N163.77 billion, representing a MoM increase of 43.32 percent (N49.50 billion) from the value of CPs quoted in April 2023.

Secondary market turnover on FMDQ Exchange in May 2023, according to the report, was N15.78 trillion, representing a MoM and YoY increase of 25.67 percent (3.22 trillion) and 2.53 percent (N0.39 trillion) from April 2023 and May 2022 figures, respectively.

It further states that foreign Exchange (FX), Money Market (MM), and CBN Bills transactions dominated secondary market activity in May 2023, accounting for 80.25 percent of the total secondary market turnover and that spot FX market turnover was N2.88 trillion ($6.21 billion) in May 2023, representing a MoM increase of 31.74 percent (N0.69 trillion) from the turnover recorded in April 2023 (N2.18 trillion).

Exchange rate volatility increased in May 2023 as the naira traded within an exchange rate range of $/N462.23 – $/N465.13 compared to $/N462.00 – $/N464.00 recorded in April 2023.

The report also states that the Fixed Income (FI) market turnover was N6.36 trillion in May 2023, representing a MoM increase of 25.97 percent (N1.31 trillion) from the turnover recorded in April 2023 (N5.05 trillion).

Nigeria Has Little Borrowing Space

There is very little borrowing space when compared to the Nigeria's self-imposed limit of total public debt-to-gross domestic product (GDP) ratio of 40 percent set in the 2020-2023 medium-term debt management strategy (MTDS) under the baseline scenario.

This is disclosed in the 2022 report of the Annual National Market Access Country (MAC) Debt Sustainability Analysis (DSA) by the DMO of Nigeria.

Under the alternative scenario, the self-imposed limit was exceeded at 45.4 percent.

The report states: "The federal government's debt service-to-revenue ratio at 73.5 percent in 2023 exceeds the recommended threshold of 50 percent due to low revenue, which means that there is need to significantly increase the government's revenue."

This highlights the need to grow revenues in the short to long-term in order to moderate the ratio.

According to Ms. Patience Oniha, Director-General of the DMO, the DSA report has highlighted the need for more revenues to keep the public debt sustainable.

She said that the report also emphasises the need for the government to grow revenues, and commended some of the recent policies of the present administration as capable of enhancing debt sustainability.

"Policies like the removal of subsidies to manage expenditure and the focus on revenue through the appointment of a Special Adviser to the President on Revenue were positive steps for public debt sustainability," Ms. Oniha said.

Also, "the projected Eurobond yield spread widened from the 316 basis points obtained in 2022 to 947 basis points in the current exercise suggesting an increase in cost of new borrowings.

According to the office, "the proportion of short-term debt in the total public debt increased to 1.3 percent in 2023 from 1.1 percent in 2022. This is slightly higher than the threshold of 1.0 percent, which indicates some elements of refinancing risk.

The 2022 MAC-DSA exercise discloses that the shares of debt held by non-residents and denominated in foreign currency are within their respective thresholds.

In its recommendation, the office states: "Although the baseline analysis projects total public debt-to-GDP ratio at 37.1 percent for 2023, indicating a borrowing space of 2.9 percent (equivalent of about N14.66 trillion) when compared to the self-imposed limit of 40 percent, this should not be used as a basis for higher level of borrowing as was the case in the 2023 budget.

This is because the outcome of the shock scenario, which is more realistic in the circumstances, exceeded the self-imposed limit.

The office says the projected government's debt service-to-revenue ratio at 73.5 percent for 2023 is high and a threat to debt sustainability. "It means that the revenue profile cannot support higher levels of borrowing. To attain a sustainable government's debt service-to-revenue ratio would require an increase of government's revenue from N10.49 trillion projected in 2023 budget to about N15.5 trillion.

L-R: **Mr. Oladele Afolabi,** Director Portfolio Management Department DMO, **Mr. Ari Aisen,** IMF Resident Representative Office for Nigeria, and **Ms. Patience Oniha,** Director-General of DMO

> ...the projected government's debt service-to-revenue ratio at 73.5 percent for 2023 is high and a threat to debt sustainability

"With respect to expansion in fiscal deficit, there is need to strictly adhere to the provision of extant legislations on government's borrowing, especially the Fiscal Responsibility Act 2007 and CBN Act, 2007 as it relates to ways and means advances, in order to moderate the growth rate of public debt.

According to the office, there is urgent need to pay more attention to revenue generation by implementing far reaching revenue mobilisation initiatives and reforms including the Strategic Revenue Growth Initiatives (SRGI) and all its pillars with a view to raising the country's tax revenue to GDP ratio from about seven percent (one of the lowest in the world) to that of its peer.

"The government should encourage the private sector fund infrastructure projects through the public-private partnership (PPP) schemes and take out capital projects in the budget that are being funded from borrowing, thereby reduce budget deficit and borrowing.

The government can reduce borrowing, as stated in the report, through privatisation and/or sale of government's assets.

The total public debt-to- GDP ratio is projected to increase to 37.1 percent in 2023, as stated in the report.

According to the office, this is relative to 23.4 percent as at September 2022, due to the inclusion of the N8.80 trillion (new borrowings) for the year 2023, the federal government's ways and means at the CBN of over N23 trillion and estimated promissory notes issuance of N2.87 trillion in the debt stock under the baseline scenario.

Nigeria's Public Debt Rise By N3trn To N49trn In March

The DMO has said that the total public debt stock of Nigeria as at March was N49.95 trillion (108.30 billion dollars).

According to a statement obtained from the DMO official website, the total debt stock comprises the external and domestic debts of the federal government, the 36 states and the Federal Capital Territory (FCT).

Nigeria's total debt for the preceding period of Dec. 21, 2022 was N46.25 trillion (103 billion dollars), indicating an increase of about N3 trillion.

The total debt stock, however, excludes the federal government's N22.719 trillion ways and means advances of the CBN, whose securitisation was approved by the National Assembly in May.

According to the office, the ways and means were meant to be included in the debt stock of the federal government from June.

Meanwhile, the DMO recently released the Market Access Country-Debt Sustainability Analysis (MAC-DSA) to promote transparency.

The analysis is a World Bank/ International Monetary Fund (IMF) tool for best practices in public debt management, which the DMO has adopted and implemented over the years.

According to the office, it is an annual exercise anchored by it, with the participation of key federal government's agencies such as the CBN, Budget Office of the Federation and Office of the Accountant General of the Federation (OAGF).

Others are the National Bureau of Statistics (NBS) and the Federal Ministry of Finance, Budget and National Planning.

EDITORIAL

President Tinubu's Administration Should Focus On High Economic Productivity Sectors, Address Infrastructure Deficit

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In order to address the dwindling growth, we believe it is important for the present administration led by President Bola Ahmed Tinubu to look at the best performing sectors across board that contributed the most to the Nigerian economy in Q1 2023.

The contribution from crop production stood at 19.48 percent in the first quarter of 2023, 7 basis points decline from 19.55 in the first quarter of 2022. The total GDP in crop production stood at 23.13 percent in the full year of 2022.

Trade's contribution stood at 15.97 percent in the first quarter of 2023, 16 basis points decline from 16.13 percent in the first quarter of last year. The total GDP in trade stood at 16.00 percent in the full year of 2022.

Telecommunication and information services contributed at 14.13 percent in the first quarter of 2023, 119 basis points increase from 12.94 percent in the first quarter of 2022. The total GDP in the sector stood at 13.57 percent in the full year of 2022.

Crude petroleum and natural gas growth rate stood at 6.21 percent in the first quarter of 2023, 42 percent basis points increase from 6.63 percent in the first quarter of 2022. The total GDP growth for crude petroleum and natural gas stood at 5.67 percent in the full year of 2022.

Real estate growth rate stood at 5.31 percent in the first quarter of 2023, three percent basis points decline from 5.34 in the first quarter of 2022. The total GDP growth for the real estate sector stood at 5.64 percent in the full year of 2022.

Aside the above, three sectors contributed zero economic activities. Rail transport and pipelines, quarrying, and other minerals, electrical and electronics contributed zero to economic activities in the first quarter of 2023.

In the same vein, water transport, oil refining and coal mining recorded 0.01 percent growth during the period reviewed.

Administrative and support services recorded 0.02 percent growth while publishing recorded 0.03 percent growth.

In the first quarter of 2023, post and courier services, metal ores and transport services recorded 0.04 percent growth.

Therefore, the new administration, working with stakeholders, has to consider economic and social inclusion with a practical strategy on how to structurally transform the economy. It has to move labour and economic resources from low productivity sectors to high productivity sectors.

At the top of the productivity ladder is the tradable services sector, which has the potential to improve incomes and raise overall productivity. The challenge with this sector, however, is its inability to accommodate labour in large numbers.

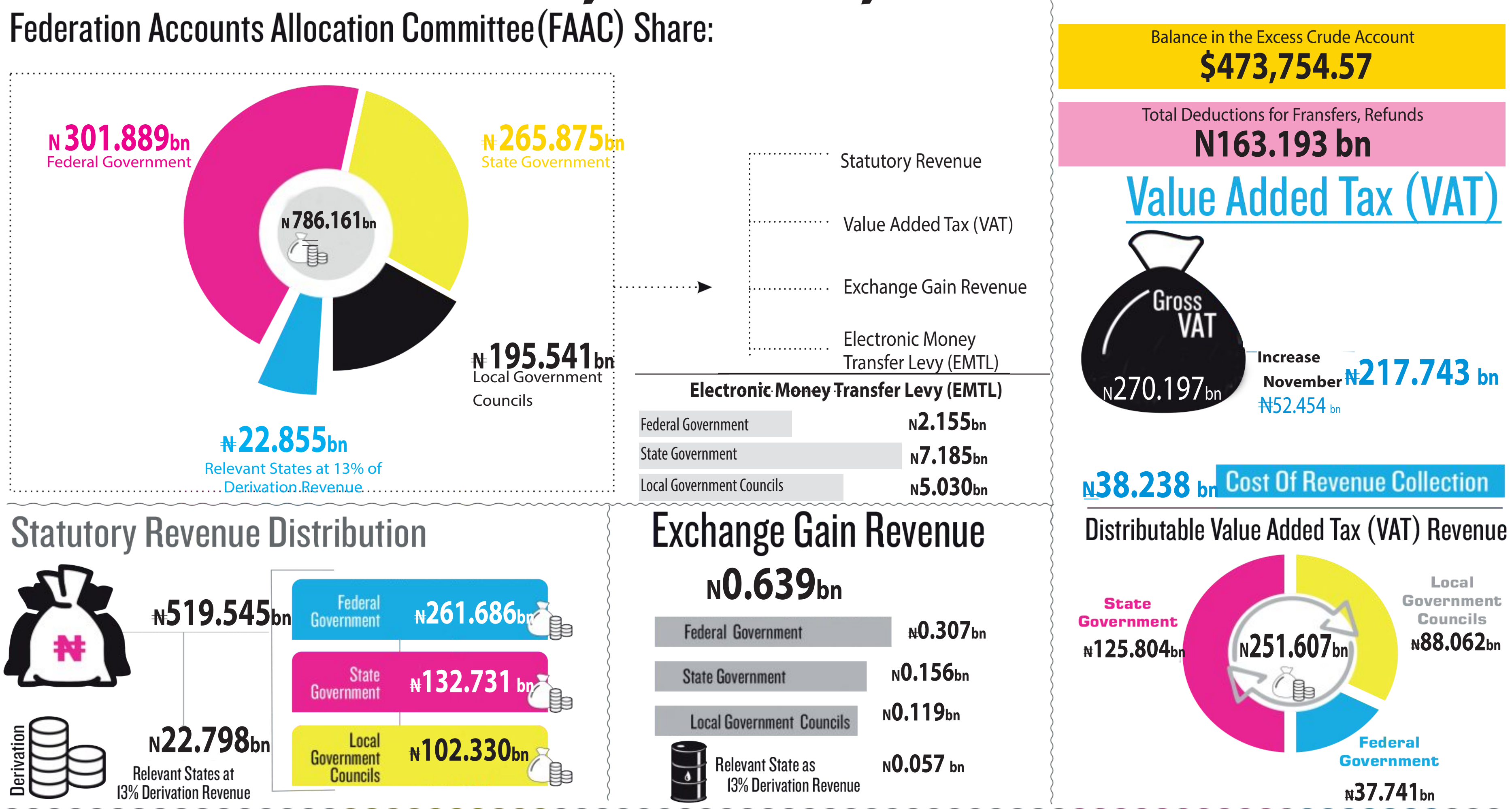
Nevertheless, the sector is important, given Nigeria's young population which is increasingly driving technological revolution across various sectors on the African continent. To leverage the full potential of this sector, we ask the government to design and implement national skills programs aimed at upskilling young Nigerians, to ensure many more embrace digital skills and capabilities.

At the middle of the productivity ladder sits manufacturing. The sector has a much higher productivity level than agriculture and can accommodate, in large numbers, the kind of labour that is abundant in the country. Nigeria's rising population (which is projected to reach 428 million by 2050), the existence of mineral resources, and the adoption of a single market in Africa - African Continental Free Trade Area (AfCFTA) - present a case for why manufacturing would thrive in Nigeria.

The present administration must also address the burgeoning infrastructure deficit and inadequate power supply, which limit the competitiveness of the manufacturing sector.

In addition, we call on the government to develop an industrial policy that seeks to support the scale, efficiency, and competitiveness of local firms within the manufacturing sector; bearing in mind that developing the sector is key to building economic resilience against vulnerability and future shocks.

FAAC Shares N786.161 bn June 2023 Revenue To FG, States, LGCs



According to the communiqué, in May 2023, petroleum profit tax (PPT), companies income tax (CIT), oil and gas royalties, VAT, and import and excise duties increased significantly, while EMTL decreased marginally.

How NSIA Is Driving Nigeria's Green Energy Plan, Tech Innovations

The Nigerian Sovereign Investment Authority (NSIA), saddled with the responsibility of investing in critical infrastructure on behalf of the federal government, is fulfilling its mandate, especially in the area of green energy and technological innovations, scaling up on $255,000 funding for startups. ***Musa Ibrahim*** *writes.*

The federal government of Nigeria in August 2022 launched Nigeria's energy transition plan, seen as a major pathway in achieving universal energy access by 2030 and a carbon-neutral economy by 2060.

Former vice president, Prof. Yemi Osinbajo, at the global launch noted that the plan was designed to tackle energy poverty and climate change crisis, as well as deliver sustainable development goal seven (SDG7) by 2030 and net zero by 2060.

In driving the mandate of the federal government, the Nigerian Sovereign Investment Authority (NSIA) has said that it is planning to expand its existing $50 million carbon credits program in collaboration with Vitol SA, to increase its scale tenfold.

fmfinsights understands that the programme intends to sell the credits to a unit of Saudi Arabia's sovereign wealth fund, showcasing the NSIA's recognition as a key player in driving climate-conscious initiatives.

Aminu Umar Sadiq, Chief Executive Officer (CEO) of the NSIA, said that the programme's portfolio could potentially expand, although the NSIA intends to assess the performance of the current $50 million program before proceeding with such significant growth.

Simultaneously, the NSIA has been invited to take the lead in the climate and sustainability working group for the African Sovereign Investors Forum, underscoring the organisation's recognition as a key player in driving climate-conscious initiatives and promoting sustainable practices.

Recall that in April 2023, the NSIA and Vitol SA completed a joint venture agreement to invest in a range of carbon avoidance and removals projects through the CarbonVista programme.

An initial $50 million (NSIA -$20 million; Vitol SA- $30 million) was committed to attract new investors as the partners develop the project pipeline.

The joint venture initially planned to partner with local firms with proven track records of successfully delivering high-quality projects, combining carbon offsetting with social outcomes that contribute to the attainment of United Nations (UN) sustainable development goals (SDGs). Investments would focus on various sectors, including infrastructure, agriculture, and energy.

According to the NSIA announcement in April 2023, the joint venture's first investment would be in a household energy efficiency program, including improved efficiency of clean cooking and water filtration devices.

In the same vein, CarbonVista intends to focus on efficient wood stoves, water purification, and re-afforestation projects to earn credit. African countries from Zimbabwe and Malawi to Gabon and Kenya are seeking to benefit more from the production of the offsets.

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

Each carbon credit represents a ton of climate-warming carbon dioxide, or its equivalent removed from the atmosphere or prevented from entering it in the first place.

The joint venture also plans to get a clean-cooking project by Q3 2023, which would use more efficient wood stoves than those currently used to reduce deforestation, underway.

In the meantime, *fmfinsights* learnt that an agreement is being negotiated with a stove manufacturer that would set up a plant in Kano State, and CarbonVista may take a stake in the company to guarantee offtake. Meanwhile, water purification and re-afforestation of plants would take place later.

Under the programme, CarbonVista would sell the carbon credits it produces to the Regional Voluntary Carbon Market Co., a unit of Saudi Arabia's Public Investment Fund, and other buyers may need to be found in the future.

> So, beyond just the prizes, we can actually engage with the entrepreneurs and add value to them beyond offering money

Scaling Up On $255,000 Funding For Startups

In another development, the NSIA has said it would be scaling up its funding for innovative young entrepreneurs after it puts $225,000 on 10 techprenuers at the end of the NSIA Prize for Innovation (NPI) programme.

This as the National Information Technology Development Agency (NITDA) said that it is working on kickstarting a N100 billion seed funding which would be managed by the NSIA for startups.

Having received over 2,000 entries that were reviewed over a six-month period, the NSIA awarded the grand prize to Money Africa, a startup that uses technology to promote financial literacy founded by Oluwatosin Olaseinde.

The $225,000 funding for the Techprenuers which comes in the form of cash and equity according to the NSIA is a catalyst for the innovation and digitisation sector in Nigeria.

Speaking on the sidelines of the NPI demo day, Mr. Umar-Sadiq said that applications have been shortlisted down to 25, which progressed to the accelerator program, that then led to the final 10 presented on the demo day.

Noting that the event showcases ideas emanating from Nigeria entrepreneurs to solve Nigerian problems, Mr. Umar-Sadiq said: "It allows us to mobilise domestic capital towards Nigerian ideas, examples of which we have seen here. So, hopefully beyond that, we are also looking at the value creation and the value addition that come beyond the investment in these companies.

"The introductions they will require, further polishing of their business ideas, the positioning of these companies for exits. We are hoping that this event will shine a light on the possibilities that our own local entrepreneurs are able to offer for solving Nigeria's problems."

On why the NSIA had opted for cash and equity as prizes for the winners, he explained that splitting the prizes into components, a cash and equity component, "allows the NSIA take ownership in these businesses. So, beyond just the prizes, we can actually engage with the entrepreneurs and add value to them beyond offering money. The way capital is going to go in as equity is through venture partners.

"So, they will actually manage the capital, the equity investment on behalf of the NSIA working with the entrepreneurs, the venture capital (VC) firm. So, all of the things that you will expect of a VC fund, the value addition, the convening power, the positioning for exits; all of those things venture partners will do on behalf of the NSIA. Our intention is to go beyond just today, in terms of our relationship with the entrepreneurs."

On his part, the Director- General (DG) of NITDA, Mr Kashifu Abdullah, noted that the demo day "shows that we have great potentials in Nigeria and looking at what is happening and this kind of initiative to provide seed funding for startups. It will really help position Nigeria for accelerated jobs creation in the digital economy. Mostly, startups fail because of lack of financing. And, according to many researches, more than 47 percent of startups fail because of lack of financing at the initial stage."

On the Startup Act which was inaugurated in April this year, he said: "We have started the implementation of the Nigeria Startup Act. Under the Act, we are to establish startup investment Seed Fund. The Act says we need a minimum of N10 billion per annum, but we are targeting N100 billion, so that we should be able to seed at least 1000 early-stage startups and about 400 late-stage startups. This can help us in creating more than 80,000 jobs in Nigeria."

At the end of the demo, seven innovators: TruQ, Capsa Technology, Apace Technology Solutions, Ya-lo Technologies, Credit-Chek, Vella Finance and Kobopay Technologies won the fourth place of $5,000 each and LegitCar Africa won the third place of $12,500. Extension Africa won the second place of $17, 500 while Money Africa won the star prize of $25,000.

NAICOM Urges Insurers To Provide Subsidy Removal Buffer For Nigerians

By Ahmed Ahmed

Mr. Sunday Thomas, Commissioner for Insurance / CEO of NAICOM

The National Insurance Commission (NAICOM) has called on the brokerage arm of the insurance industry to upscale its business model to hedge the impacts of recent federal government subsidy removal.

The commission said that the call has become necessary in view of a possible drop in sales, as consumers were likely to ration their spending on the impacts of the subsidy.

Mr. Sunday Thomas, Commissioner for Insurance / CEO of NAICOM, gave the advice during the Nigerian Council of Registered Insurance Brokers (NCRIB) 2023 Chief Executive Officers Retreat held a few weeks ago in Ogere, Ogun State.

He said that the recent subsidy removal by the federal government exacerbates the need to project the value proposition of insurance beyond the conventional perception, as there would be a 'complex rationing' which could further relegate insurance demand.

"We must upscale our business models to attract individuals who are leaning towards creating Sinking Funds."

Furthermore, economic activities may reduce in the short run; so, we must optimise our management expenses in order to avoid the pressure of an off-peak period, while not forgetting to prepare for the possibility of cost-push inflation, Mr. Thomas said.

Speaking further on how the industry could get better through sustainable growth, he charged the brokers to accept changes that come with modernisation and technological advancement.

"This is why we must realise that distribution channels for insurance products must be expanded beyond the traditional norms. Every arm of the sector must hugely invest in technology in order to compete or be able to meet the expectation of clients."

According to him, it has become imperative to support the commission's efforts to bring emergent online platforms for the distribution or provision of insurance under the commission's regulatory purview, in the interest of the Nigerian insurance industry.

"An important issue is the need for operational standards to prevent or reduce to the barest minimum unethical practices which ridicule or impugn the integrity of the Nigerian insurance industry."

Mr. Thomas, therefore, charged the insurance brokers to begin to re-examine the insurance broking value proposition beyond the traditional perception.

"This is necessary to enable the insuring public/insured to appreciate other values offered, as the rhythm has changed and people may only use services that provide priority values to them."

"I must also emphasise that insurance brokers have very important roles to play in our collective aspiration to reposition the industry. This includes projecting the additional values created by the new regime of third-party motor insurance cover, the NAICOM Portal, improved soundness and stability of insurers, better market conduct practices and fair treatment of insurance consumers, as well as ongoing collaboration with state governments on compulsory insurances, among others.

The NAICOM has continued its regulatory mandate in the insurance sector, especially in terms of deepening insurance coverage.

Recently, NAICOM released new guidelines to address underwriting challenges. The areas covered are distribution, insurance product innovation, policy and claims servicing.

Other areas covered by insurance regulatory sandbox regulatory guidelines are market conduct guidelines for Takaful, Retakaful insurance operators, enterprise risk management framework for Takaful.

According to a circular released not long ago by the Head of Corporate Communication and Market Development, Rasaaq Salami, the new guidelines would ensure that operators act professionally and conduct business operations in line with best practices.

Providing more insights into the insurance regulatory sandbox operational guidelines, Mr. Salami said that the guidelines establish a relaxed regulatory environment for the testing of innovative products, services, business models, channels of distribution, subject to regulatory discretions, and set parameters that have the potential of improving insurance inclusiveness and service efficiency.

"The possible areas of innovation that will be allowed into the regulatory sandbox are as follows: insurance solicitation or distribution, insurance products, underwriting, policy and claims servicing and any other activity within the insurance value chain," he submitted.

The commission stated that the new guidelines are issued in exercise of the powers conferred on the commission under the NAICOM Act 1997 and the Insurance Act 2003, stating that the guidelines would read in conjunction with the provisions of the Insurance Act as well as other regulations, notices and circulars that the commission may issue from time to time.

NAICOM noted that an applicant would be eligible to be considered for the sandbox after meeting the set criteria, which include the ability to demonstrate the potential to advance inclusive insurance.

"Where the innovation involves the introduction of an insurance product or underwriting process, the applicant shall partner with an insurer. "Fin/Insur technology firms shall be registered under the Companies And Allied Matters Act," NAICOM stated.

Seeking Collaborations With Sister Agencies

Meanwhile, NAICOM and the National Information Technology Development Agency (NITDA) have agreed to institutionalise cyber insurance to strengthen Nigeria's digital ecosystem.

The agreement was struck recently when the management of the NITDA led by its Director -General (DG) /Chief Executive Officer (CEO), Kashifu Inuwa Abdullahi, paid a courtesy visit to NAICOM headquarters in Abuja, and was received by Mr. Thomas.

"The purpose of the visit is to activate the process of institutionalising cyber insurance to help strengthen the digital ecosystem in Nigeria. The two agencies discussed the enormous benefits to the nation, and have agreed to partner to ensure it is realised" the statement reads.

Similarly, the insurance regulator and the Abuja Metropolitan Management Council (AMMC) recently agreed to set up a joint committee to enforce compliance by building developers and occupiers of public buildings in line with Sections 64 and 65 of the Insurance Act 2003.

The decision to set up the committee was taken during a courtesy visit to NAICOM by the management of AMMC led by Director, Development Control at the FCT Administration, Mr. Mukhtar Galadima.

The NAICOM in a statement maintained that the purpose of the visit was to explore areas of collaborations in order to enforce compliance by building developers and occupiers of public buildings with Sections 64 and 65 of the Insurance Act 2003.

"The two agencies have setup a joint committee to work out the modalities for the enforcement of these compulsory insurances within the FCT," the statement also reads.

FIRS: Nigeria's Tax-To-GDP Ratio 10.86% As At 2021

Nigeria's Tax-to-GDP ratio which, in the last 12 years, hovered between 5% to 6% rose to 10.86% by the end of 2021.

The new ratio was communicated to the Federal Inland Revenue Service (FIRS), via a letter signed by the Statistician-General of the Federation, Prince Adeyemi Adeniran, on the 25th of May 2023, following a joint review by the Nigerian Bureau of Statistics (NBS), in collaboration with the Federal Ministry of Finance and the FIRS, using data from 2010 to 2021.

The revision took into account revenue items hitherto not previously included in the computations; particularly, relevant revenue collected by other agencies of government.

Tax-to-GDP ratio is a measure of a nation's tax revenue relative to the size of her economy as measured by Gross Domestic Product (GDP). The ratio is a useful tool for assessing the "health" of a country's tax system, and highlighting its tax potentials relative to the size of the economy. It is the ultimate measure of the effectiveness of a nation's tax system compared to other countries.

In a statement announcing the new Tax-to-GDP ratio, the Executive Chairman of FIRS, Mr. Muhammad Nami, explained that sources which previously put the country's Tax-to-GDP ratio at between 5% and 6% did not consider tax revenue accruing to other government agencies in their computation. Particularly, revenues collected by agencies other than the FIRS, Customs and States Internal Revenue Service were excluded. This situation was peculiar to Nigeria as most other countries operate harmonised tax system (all or most tax revenues are collected by one agency of government) with single-point tax revenue reporting. As such, all relevant tax revenues are included in the computation of the Tax-to-GDP ratio.

"In order to correctly state the Tax-to-GDP ratio, the FIRS initiated a review and re-computation of the ratio for 2010 to 2021. In recomputing the ratio, key indicators that were previously left out were taken into account. This resulted into a revised Tax-to-GDP ratio of 10.86% for 2021 as against 6% hitherto reported," the statement noted.

Mr. Nami further noted that Nigeria's Tax-to-GDP ratio should ordinarily be higher than 10.86% but for certain economic and fiscal policy factors, including tax waivers and leakages occasioned by the country's fragmented tax system.

"It is important to note that the Tax-to-GDP ratio for Nigeria should be higher, but for the impact of tax waivers contained in our various tax laws (including exemptions to Micro, Small and Medium Enterprises brought-in by Finance Act, 2019), low tax morale, leakages occasioned by the country's fragmented tax system and the impact of the rebasing of the GDP in 2014", he explained.

The FIRS boss implored the government to consider reviewing its policies on tax waivers thereby guarantying increased revenue to prosecute its programmes and positively move the needle of the country's tax-to-GDP ratio.

The Statistician-General of the Federation, Prince Adeyemi Adeniran, in his letter to the Executive Chairman of FIRS, described the revision as a facelift to the Tax-to-GDP ratio for Nigeria in comparison with other countries.

He further noted that the NBS had "carefully and diligently reviewed the methodology used for computing the revised estimates, as well as the various items that have been included in the new computation," and that the NBS as an outcome of its review and meetings with FIRS has adopted the new Tax-to-GDP computation.

DMBs Customers' ID, Social Media Handles Mandatory For KYC - *CBN*

By Kingsley Benson

The Central Bank of Nigeria (CBN) has recently directed deposit money banks (DMBs) and other financial institutions (FIs) to obtain the digital identities (ID) and social media handles of bank customers as a mandatory requirement for the Know Your Customer (KYC) process.

The directive, according to the CBN, is aimed at strengthening the fight against financial crimes.

The apex bank in its CBN's Customer Due Diligence Regulations 2023 report, which was posted on its website and addressed to all banks and other FIs stated that the directive is to be followed strictly.

The regulation, signed by the CBN Director, Financial Policy and Regulations Department, Chibuzo Efobi, is said to also enhance compliance with anti-money laundering (AML) and combating the financing of terrorism (CFT) provisions while aligning with international best practices.

Reason Behind New Directive

Under the social media handles under section 6 (IV) of the new regulation, FIs operating under the regulatory purview of the CBN are now obligated to collect and verify customers' social media handles as part of their KYC process.

This requirement applies to both individuals and legal entities and seeks to enhance the accuracy and depth of customer identification.

According to the new regulation, FIs would leverage the information responsibly and strictly adhere to data privacy and protection regulations.

It also stated that the inclusion of social media handles in KYC requirements would also enhance the accuracy and depth of customer identification.

By obtaining this additional information, FIs could gain valuable insights into customers' online presence and activities, enabling better assessment of potential risks associated with money laundering, terrorism financing, and proliferation financing.

The apex bank noted that it is now mandatory for financial institutions to collect and verify customers' social media handles as part of their KYC requirements.

This new regulation, which complements the existing provisions outlined in the CBN's AML, CFT and countering proliferation financing of weapons of mass destruction (CPF) in FIs regulations of 2022, was designed to fortify the fight against money laundering, terrorism financing, and proliferation financing.

Implications Of The Directive

Under the new regulations by CBN, FIs are required to establish internal processes and procedures for conducting customer due diligence measures for both potential and existing customers, including occasional customers.

Banks must also identify customers, whether individuals or legal entities, and obtain specific information such as legal names, addresses, contact details, identification documents, account types, nature of banking relationships, and signatures, the framework further specified.

The regulations also emphasised the need to identify politically exposed persons (PEPs).

The guidance notes on PEPs financial policy and regulation department June 2023, clearly stated that to verify customer identities, FIs must rely on reliable and independent source documents, data, or information.

For individuals, the process involves confirming the date of birth, residential address, contact details, and the validity of official documentation.

In the case of legal persons or legal arrangements, FIs are required to undertake searches on public registries or databases, review annual reports or relevant financial statements, and examine board resolutions.

The regulation also emphasised the importance of record-keeping and maintaining up-to-date customer information.

Under the regulation, FIs must retain records obtained through customer due diligence measures, account files, business correspondence, and analysis results for at least five years after the termination or cessation of a business relationship or an occasional transaction.

Mr. Folashodun Adebisi Shonubi, Acting Governor of Central Bank of Nigeria.

Regular reviews of existing customer records are required based on risk categories, with high-risk customers requiring annual reviews, medium-risk customers requiring reviews every 18 months, and low-risk customers requiring reviews every three years.

The CBN's decision to include social media handles as a mandatory KYC requirement recognises the growing influence and prevalence of social media platforms in individuals' and businesses' daily lives.

The apex bank pointed out that social media can provide valuable information about customers' professional networks, affiliations, and potential sources of income.

Thus, FIs would be required to establish internal processes and procedures to collect and verify customers' social media handles accurately.

The information would be used alongside other KYC data, such as legal names, addresses, contact details, and identification documents, to create a comprehensive profile of the customer.

Essentially, the addition of social media handles to the KYC requirements reflects the CBN's commitment to keeping pace with technological advancements and evolving risks in the financial sector.

By adopting regulations to include digital footprints, the CBN aims to ensure that FIs have a more holistic understanding of their customers, promoting enhanced due diligence and risk mitigation, the apex bank stressed.

This development serves as a reminder to individuals and businesses to be mindful of their online presence and activities.

Customers should also ensure that the information shared on social media platforms aligns with their stated profiles and remains consistent with their financial transactions.

The CBN stated that the objective of the guidance was to assist FIs in the identification and management of risks associated with PEPs in the course of business relationships.

According to the CBN, "FIs in the ordinary course of their businesses, establish business relationships with PEPs who may be vulnerable to corruption and thus may portend reputational and financial crime risks to the FIs.

"PEPs pose a high risk of money laundering, financing of terrorism, and proliferation financing (ML/FT/PF) due to the possibility that individuals holding such positions may misuse their power and influence for personal gain or advantage to themselves, close family members, and/or associates.

"Such individuals may also use their families or close associates to conceal illicit funds and assets. In addition, they may also seek to use their power and influence to gain representation and/or access to or control of, legal entities for similar purposes," the apex bank added.

The apex bank as a result, mandated financial institutions to comply with the provisions of the CBN's AML, CFT, and CPF Regulations 2022 to mitigate the potential risks posed by PEPs.

"Amongst these obligations is the requirement to apply a risk-based approach to identifying PEPs and to apply appropriate enhanced due diligence (EDD) measures when dealing with those that pose higher AML, CFT, and CPF risks.

"In view of the corruption levels in Nigeria, domestic PEPs are rated highly vulnerable to financial risks, therefore, by default, most domestic PEPs are considered high risk. Foreign PEPs and PEPs with prominent functions in international organisations should be categorised based on the level of risk as assessed by financial institutions."

In addition, it said: "Consequently, the CBN issues this guidance in line with CBN's AML, CFT, and CPF Regulations 2022, Financial Actions Task Force (FATF) Recommendations, FATF guidance on PEPs (2013), and Wolfsberg guidance on PEPs (2017), to assist FIs in the identification and management of risks associated with PEPs.

"This guidance provides minimum standards for FIs in their relationships with PEPs and does not limit measures to be taken by FIs to meet their statutory obligations. The guidance notes would be revised from time to time, as necessary," CBN stated.

Regular reviews of existing customer records are required based on risk categories...

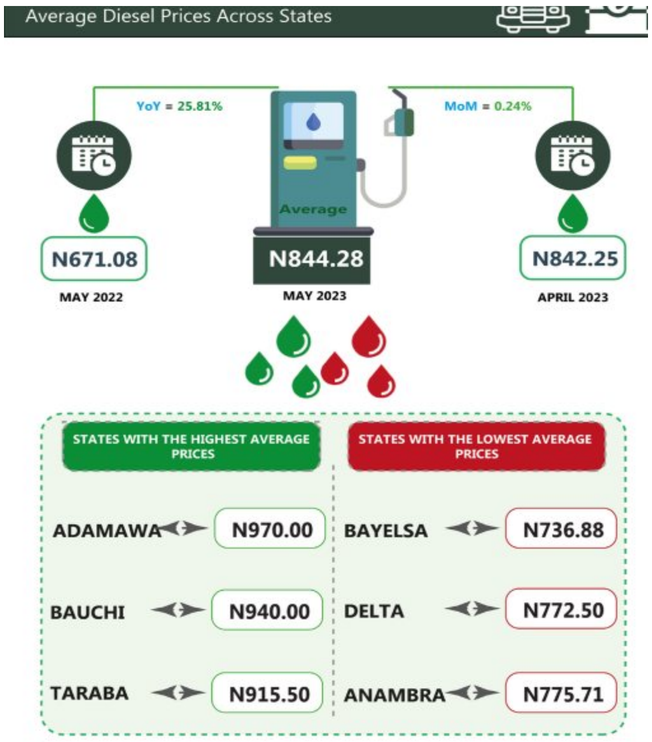
National Bureau of Statistics (NBS)

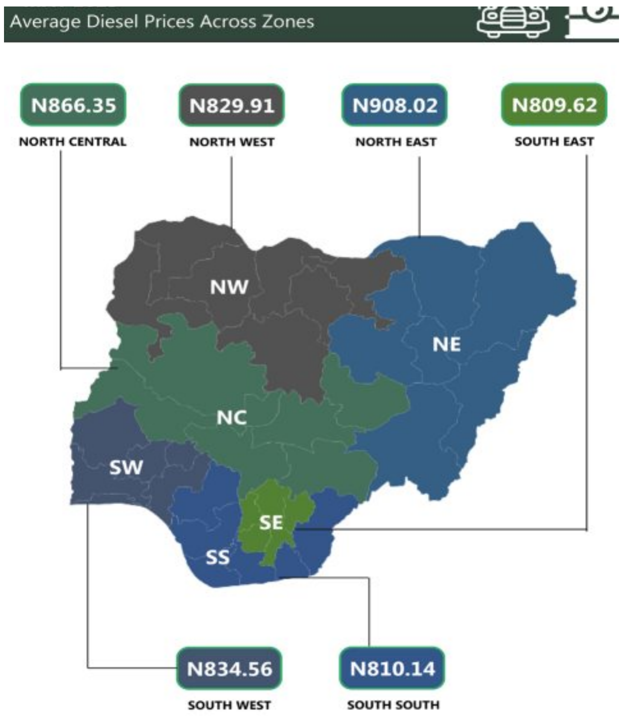
Automotive gas oil (Diesel) Price Watch, May 2023

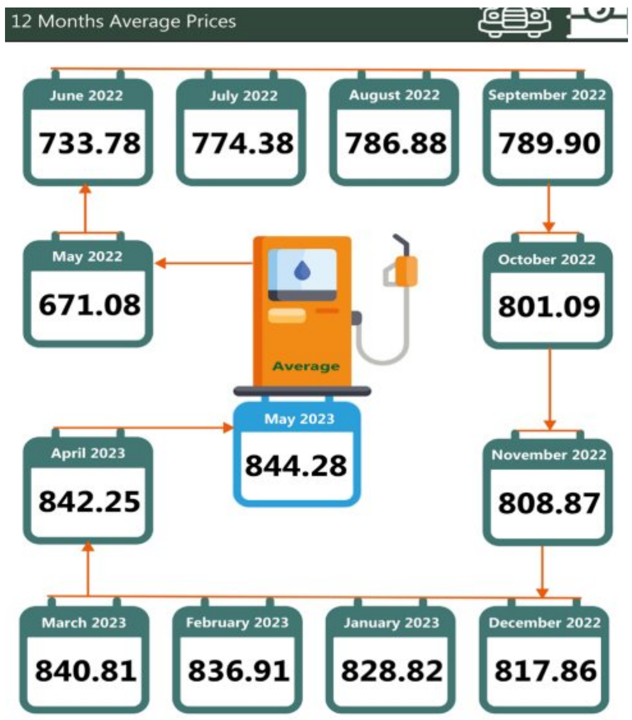
The average retail price of Automotive Gas Oil (Diesel) paid by consumers in May 2023 was N844.28 per litre, an increase of 25.81 percentage from N671.08 per litre recorded in the corresponding month of the previous year. On a month-on-month basis, this increased by 0.24 percentage from N842.25 per litre reported in April 2023.

On state profile analysis, the highest average price of the product in May 2023 was recorded in Adamawa with N970.00, followed by Bauchi with N940.00, and Taraba with N915.50. On the other hand, the lowest price was recorded in Bayelsa with N736.88, followed.

by Delta with N772.50 and Anambra with N775.71. Furthermore, analysis by zone showed that the North-East had the highest price with N908.02, while the South-East recorded the lowest price with N809.62.



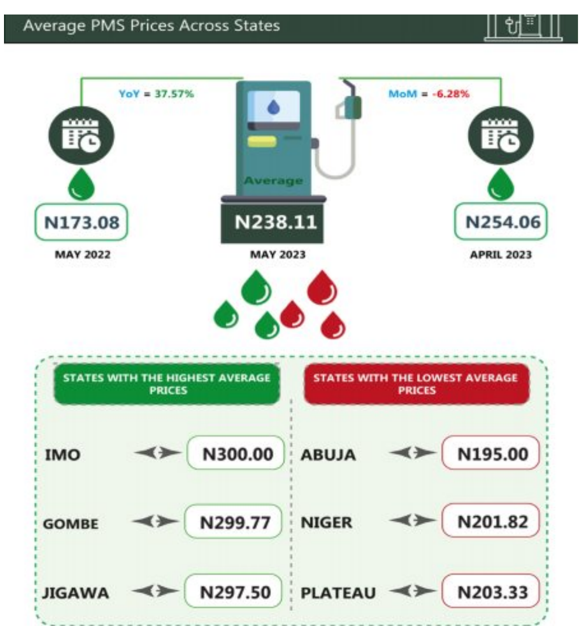


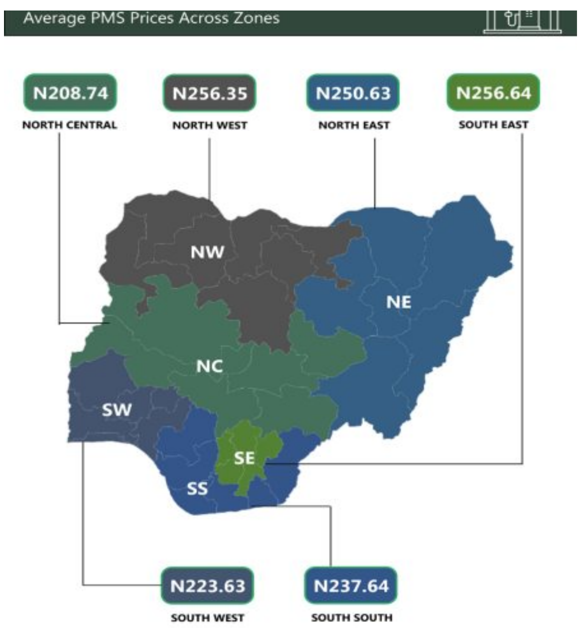


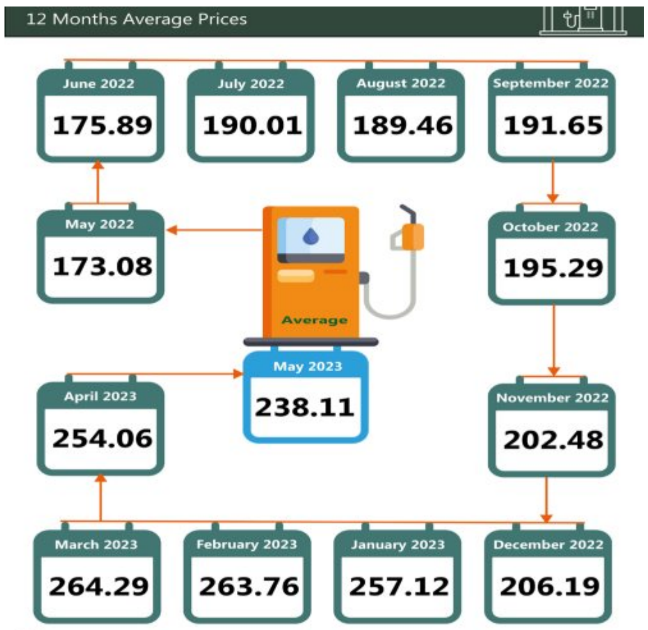
Premium motor spirit (petrol) price watch, May 2023

The average retail price paid by consumers for Premium Motor Spirit (Petrol) in May 2023 was N238.11, indicating an increase of 37.57 percentage relative to the value recorded in May 2022 (N173.08). Likewise, comparing the average price value with the previous month (i.e. April 2023), the average retail price decreased by 6.28 percentage from N254.06.

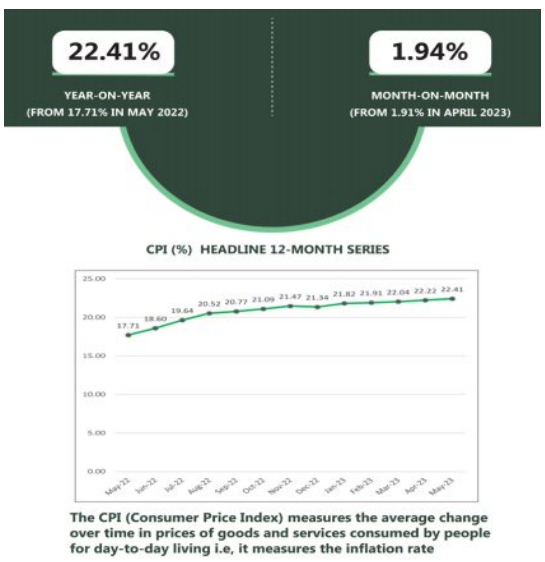
On state profile analysis, Imo state had the highest average retail price for Premium Motor Spirit (Petrol) with N300.00, followed by Gombe with N299.77 and Jigawa with N297.50. On the other hand, Abuja recorded the lowest average retail price for Premium Motor Spirit (Petrol) with N195.00, followed by Niger with N201.82 and Plateau with N203.33. In addition, analysis by zone showed that the South-East recorded the highest average retail price in May 2023 with N256.64, while the North-Central had the lowest with N208.74.

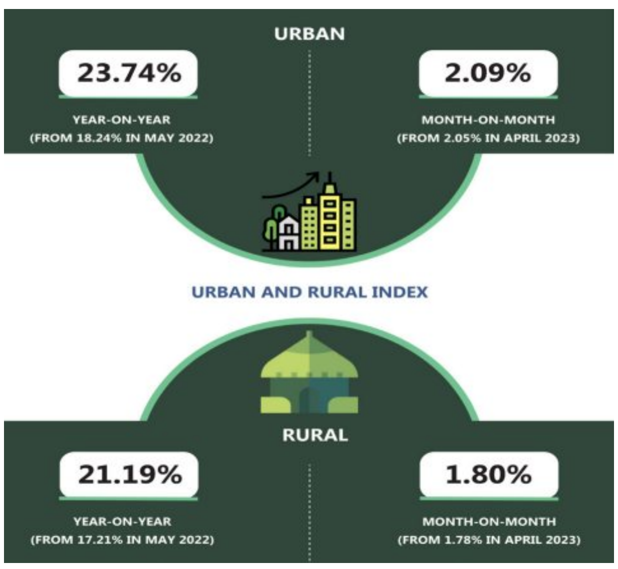


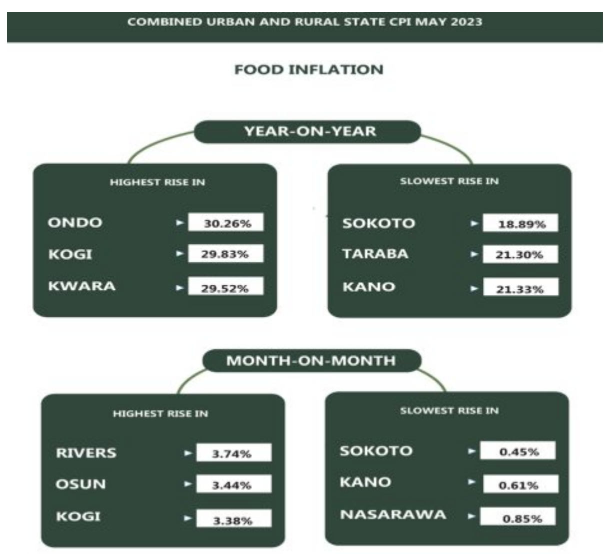




Consumer price index, May 2023







How NDIC Is Deepening Financial Inclusion In Nigerian School

By Musa Ibrahim

In Nigeria, only 67.5 million (64 percent) of the 105.5 million adult population were financially included in the year 2020, according to a report by Enhancing Financial Innovation and Access (EFInA)

This means that 36 percent of the Nigerian adults, or 38 million adults, remained completely financially excluded at the end of 2020.

"Although financial inclusion has grown in the past decade, Nigeria fell short of the national financial inclusion strategy targets for 2020. The country had aimed to reach 70 percent of Nigerians with formal financial services by 2020; the actual figure was 51 percent", the report stated.

Consequently, the Nigeria Deposit Insurance Corporation (NDIC) has moved to deepen its financial literacy campaign across various schools in the country, as a strategy to bringing millions of unbanked citizens into the formal banking ecosystem.

Against this backdrop, the corporation has celebrated its 2023 financial literacy day (FLD) with a lecture it sponsored at the Government Secondary School, Tudun Wada, Wuse Zone 4, Abuja.

Speaking at the event which attracted four other secondary schools, Dr Waziri Galadima of the Research Department, NDIC, said that the programme was an offshoot of the global money week (GMW), being an annual global awareness campaign on the importance of ensuring that young people, from an early age, are financially aware, and are gradually acquiring the knowledge, skills, attitudes and behaviours necessary to make sound financial decisions and ultimately achieve financial well – being and financial resilience.

Mr. Bello Hassan, Managing Director/Chief Executive Officer of the Nigeria Deposit Insurance Corporation (NDIC)

He said that the event was simultaneously across the globe, with the theme for this year: 'Plan your Money, Plant your Future'.

According to him, throughout the GMW editions which commenced in 2012, the campaign has reached over 53 million children and young people in 176 countries worldwide.

National financial literacy campaign has a mission to educate and empower 30 million families (of all ages) with a financial education and proper tools to manage their wealth by 2030.

He taught the young minds about spending wisely, budgeting, saving and other issues around financial literacy and intelligence.

"Financial literacy helps you to understand and effectively use various financial skills such as personal financial management, savings, budgeting and investing. Specifically, it helps you to acquire knowledge on how money works in the world. In fact, learning about how money works will sow a seed for a thriving future. "Money is a medium of exchange that people have agreed on. In summary, money is a numerical value.

"Currency is a type of money that is issued by a country and circulated within that country. Currency can be physical, through notes and coins, or electronic and digital.

"Saving is the act of putting money aside for future use.

There are different ways to save, like putting your money in a savings box, through savings groups, but the recommended way is in a bank account.

"Financial regulations are rules and laws that govern how financial institutions, such as banks and investment firms, operate and conduct business.

"Financial services regulators are organisations that make and enforce rules to ensure that financial markets and institutions operate fairly and safely", he explained.

Also speaking, another NDIC official, Tanko Ibrahim, said that the NDIC collaborates with the Central Bank of Nigeria (CBN) in bank supervision so as to protect depositors; foster monetary stability; promote an effective and efficient payment system; and promote competition and innovation in the banking system.

"Supervision is done through off-site surveillance and on-site examination of insured institutions.

"The corporation collaborates with the CBN to undertake the on-site examination of all licensed deposit-taking financial institutions.

"The corporation also ensures that failing and failed institutions are resolved in a timely and effective manner. This is done through: Financial assistance – loans, guarantee for loans, accommodation bills; technical assistance – takeover of management and control of a bank, changes in management, assisted merger or acquisition by another bank; arranged purchase and assumption of failed banks (e.g., Zenith Bank and Eagle Bank); incorporation of a bridge bank to take over the asset and liabilities of a failing bank. (Bank PHB to Keystone; Afribank to Mainstreet; Spring Bank to Enterprise Banks in 2011, and Skye Bank to Polaris Bank in 2019).

"In the event that a bank cannot be assisted by any of the resolution options, and therefore fails, NDIC ensures that liquidation is done in an orderly and efficient manner. Liquidation commences after the revocation of operating license by the CBN. "It involves revocation of operating license; orderly closure; settlement of claims – depositors (priority), creditors and shareholders where possible; and cost-effective realisation of asset", he explained.

Change of Guard At Nigeria Customs As Adeniyi Makes Acting CGC

● Pledges Technology-Driven Service To Generate More Revenue
● To Establish Customs Laboratory For Trade Facilitation

By Musa Ibrahim

The wind of change has blown at the Nigerian Customs Service (NCS) as Bashir Adewale Adeniyi has taken over as the 31st Comptroller- General (CG) of the service.

Mr. Adeniyi who was appointed by President Bola Ahmed Tinubu a few weeks ago replaces Col. Hameed Ali (Rtd), who has been the CG since August 2015.

Mr. Adeniyi has promised to leverage technology, intelligence-led operations, and effective risk management strategies focused on raising more revenue for the federal government.

He has said this in addition to pursuing excellence. Mr. Adeniyi has promised to surpass expectations (revenue target) by ensuring the complete overhaul of the activities and processes of the service.

At the handing over ceremony not long ago, he noted that in today's interconnected and technologically advanced world, the customs faces emerging threats that require utmost attention as e-commerce, global supply chains, and transnational criminal networks pose challenges to the role of the service as custodians of trade facilitation and enforcement.

Mr. Bashir Adewale Adeniyi, Acting Comptroller- General of Customs

In his inaugural remarks at the Customs Headquarters in Abuja, the acting CG said that under his watch, the NCS would implement advanced risk management systems, integrate cutting-edge technologies, and ensure simplification of trade procedures to achieve its objectives.

"These advancements will not only boost our revenue generation capabilities but also promote a conducive business environment that attracts investments and spurs economic growth," the CG said.

To drive home his plan, Mr. Adeniyi also said that his administration is firmly committed to fairness.

"Our decisions and actions will be guided by principles of transparency and discipline," stating that the service would strive to uphold the highest standards of professionalism and ethical behaviour.

"Indiscipline will not be tolerated as we prioritise fairness and equity."

CG Adeniyi further said that his focus is on cultivating a highly skilled workforce that is equipped to face the challenges of a rapidly changing world.

He said that his administration is committed to prioritising the welfare and well-being of Customs personnel, continuing that by providing better remunerations, improved accommodation, life insurance, and quality healthcare, "we aim to create an environment that supports and motivates our workforce.

The CG again said that his administration would work diligently to implement career advancement opportunities approved by the Customs board, ensuring that competence remains the sole criterion for assigning responsibilities and measuring effectiveness.

Earlier, the former CG who highlighted some reform initiatives and achievement of the service under his seven years and six months reign, encouraged Mr. Adeniyi to be diligent in service and always strive hard to maintain the integrity of the service.

fmfinsights recalls that the appointment of Acting CG Adewale Adeniyi was announced on Monday, 19 June 2023, while he was attending the Policy Commission and Council meetings of the World Customs Organisation (WCO) in Brussels, Belgium.

Leveraging this global platform, the Acting CG engaged in topical discussions within the global Customs community, advocating for the exploration of Artificial Intelligence (AI) -driven solutions, including Generative AI solutions like ChatGPT and advanced geo-spatial intelligence approaches such as GEOINT.

The technologies present immense potential for enhancing communication, decision-making processes, and enforcement operations within the customs, he said.

"Additionally, the NCS has already established a GEOINT unit, leveraging geospatial data, mapping techniques, and satellite imagery to gain valuable insights into customs operations. Collaborative engagements are already underway to operationalise the use of GEOINT to enhance the efficiency of NCS enforcement operations and contribute to overall efficiency. The advancements underline the NCS's proactive approach toward embracing cutting-edge technologies.," he stated.

SEC Debunks Report Of Not Having Audited Financial Statement

- Partners SON To Develop Commodities Standard
- Declares Binance Operations In Nigeria Illegal

By Majeed Salaam

Mr. Lamido Yuguda, Director–General of SEC

Nigeria's Securities and Exchange Commission (SEC), has denied media reports claiming it has not audited its financial statements since 2014.

In a statement released recently, signed by its management, the SEC revealed that it is a strong promoter of world-class corporate governance standards, and hereby restates its commitment to upholding such ideals.

The SEC noted: "Contrary to these false claims, the commission as a law-abiding agency has duly audited its financial accounts year after year before and onward from 2014, and has submitted these to the relevant agencies statutorily empowered by the federal government to receive same.

"We have submitted statements to the Federal Ministry of Finance, Budget and National Planning; Office of the Auditor-General of the Federation; Fiscal Responsibility Commission; Office of the Accountant-General of the Federation, as well as the appropriate committees of the National Assembly," it said.

According to the commission, it is a strong promoter of world-class corporate governance standards; hereby restates its commitment to upholding such ideals and strongly advises persons with requests for information to channel such to the commission via email to sec@sec.gov.ng, to which the commission would respond accordingly.

Partnership with SON to Develop Commodities Standard

fmfinsights recently found out that the SEC is collaborating with the Standards Organisation of Nigeria (SON) to develop standards for commodities.

Director – General (DG) of the SEC, Mr. Lamido Yuguda, noted that Nigeria has various commodities that could be exported in a bid to grow the economy, provide jobs for Nigerians as well as provide the nation with forex.

Mr. Yuguda said that the agricultural sector in the country is expected to grow significantly soon.

"In its desire to ensure that agricultural produce is of exportable standards and quality, the commission is collaborating with the SON to develop standards for commodities", he said.

He also disclosed that because of the collaboration with SON, some of the standards have been developed and exposed to different markets close by, and they have been received very well.

The DG also said that the development of the standards would pave the way for the export of the products to the international market and in turn, boost the Nigerian economy.

He further said that the commission was pleased about the new government's mention of supporting the commodities sector as it would further boost the SEC's efforts at developing the sector.

Binance Operation in Nigeria Illegal

In another development, the SEC has issued a firm statement that Binance Nigeria is not registered or regulated by the commission.

This statement categorises the operations of the popular global cryptocurrency exchange, Binance, within Nigeria as illegal.

> In its desire to ensure that agricultural produce is of exportable standards and quality, the commission is collaborating with the SON to develop standards for commodities

In an official statement published on its website, the SEC highlighted that Binance Nigeria Limited, a subsidiary of Binance, has been actively promoting its web and mobile-enabled platforms to the Nigerian public.

However, the regulatory body firmly asserted that such activities are in direct violation of the Nigerian law.

The SEC has strongly advised Nigerians to exercise caution and refrain from engaging with unregistered and unregulated platforms, specifically mentioning Binance Nigeria as one such platform to avoid.

The notice from the SEC follows recent developments where Binance.United States (US), the US subsidiary of the global exchange, faced a lawsuit filed by the U.S's SEC. The lawsuit accuses Binance US of operating an illegal securities exchange, stating further scrutiny to the global exchange's operations.

Furthermore, the action coincides with Nigeria's implementation of a new Finance Act for the year 2023, which includes a 10 percent tax on digital assets.

As the regulatory landscape evolves and strengthens in Nigeria, individuals and businesses are urged to adhere to the legal framework and exercise caution when engaging with digital asset platforms.

What SEC Said

"The attention of the SEC has been drawn to the website operated by Binance Nigeria Limited, soliciting the Nigerian public to trade crypto assets on its various web and mobile-enabled platforms."

"Binance Nigeria Limited is neither registered nor regulated by the commission and its operations in Nigeria are therefore illegal. Any member of the investing public dealing with the entity is doing so at his/her own risk. "

"As the regulator with the statutory mandate of investor protection, the commission urges Nigerians to be wary of investing in crypto-assets, and crypto-asset-related financial products and services if the service provider/its platform is not registered or regulated by the commission".

"Nigerian investors are hereby warned that investing in crypto-assets is extremely risky and may result in total loss of their investment. By this circular, Binance Nigeria Limited is hereby directed to immediately stop soliciting Nigerian investors in any form whatsoever."

"The commission shall provide updates on further regulatory actions concerning the activities of Binance Nigeria Limited, and other similar platforms, and shall work with other regulators in Nigeria to provide further guidance on this matter."

The SEC's unequivocal stance on Binance Nigeria serves as a reminder of the importance of operating within the boundaries of Nigerian regulations.

fmfinsights
Economy & Investment

ADVERT RATE

COLOUR

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

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

BLACK AND WHITE

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

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

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

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

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

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What's Evident In The Few Weeks of The Present Administration

POLICY BRIEF

with

ENAM **OBIOSIO**

Towards the end of the last administration led by former president Muhammadu Buhari only very few people could tell what to expect, in spite of the manifestoes of the political parties then. There was palpable confusion about what to expect in view of the socio-political and economic situation in Nigeria.

So far, what is evident in the few weeks into the present administration of President Bola Ahmed Tinubu (considering the policies, decisions and actions that he has taken) is genuine sense of nationalism which involves devotion to the idea and ideal of a nation, promotion of its sundry interests, defence of its territorial integrity and, most important, cultivation of a sound standard of accountability, and also not dumping morality. And so far, the president can be seen to work in the national interest.

The national interest is of course an idea which postulates the supremacy of the nation over the individual, while also recognising that the nation derives its legitimacy and power from its ability and readiness to protect the individuals who constitute it; its capacity for ensuring the existence of justice and equity.

Should the administration continue in the light of the above, therefore, I can say that the country could look to surmounting whatever odds in sight, be it socio-politics or economics. There should be no fear about what the economy is saying at the moment, no matter the local or international forecast or grading.

The International Monetary Fund (IMF) has retained its growth forecast of 3.2 percent for Nigeria's economy in 2023. The Fund, in its World Economic Outlook for April 2023 titled 'A Rocky Recovery', also forecast a three percent growth in the country's gross domestic product (GDP) for 2024.

On the current economic situation in Nigeria, it is noted that in the first part of 2023, the economic growth weakened, and real GDP growth fell from 3.3 percent in 2022 to 2.4 percent year-on-year (y-o-y) in Q1 2023. The challenging global economic context has put pressure on Nigeria's economy.

The update of January 2023 World Economic Outlook projects that global growth will fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook, but below the historical average of 3.8 percent.

For 2023 as a whole, real GDP (that is GDP adjusted to remove the effects of inflation) is projected to grow by just 0.1 percent. The growth of real GDP is projected to speed up thereafter, averaging 2.4 percent a year from 2024 to 2027, in response to declines in interest rates.

Understandably, while the policies and the result of the forecast of the World Bank and IMF on one hand have always had significant effect on the Nigerian economy, with the obvious fact that the total import exerts negative influence on the economy, the government expenditure, the revenue from value added tax (VAT), non-oil export, have on the second hand had positive effect on the nation's economic performance. Considering all this, our policymakers do have the responsibility of building and ensuring economic resilience for the country.

Amid a weakening global economy and elevated uncertainty, our policymakers would have to build a more resilient future by enhancing social safety nets to protect the most vulnerable, improving governance and accountability, strengthening policy frameworks, and tackling climate change. Food security concerns and the risk of future pandemics should add to the urgency of increased effort and collaboration toward building resilient economy. We have to look to securing a transformational recovery from global shocks that are capable of eroding the expected gains of the current efforts towards economic rejuvenation.

This is because the impact of the recent crisis on the economic situation of Nigeria nay other countries has increased the need for structural reforms to bolster growth and secure a transformation that fosters inclusion and diversification, addresses the existential challenge of climate change, and supports digitalisation.

In building economic resilience in Nigeria, the present administration has to work based on the understanding that the last eight years (2015–2022) have been tough for Nigerians. During this period, GDP growth averaged 1.1 percent as the country experienced two economic recessions. Unemployment and underemployment rates increased to an all-time high of 56.1 percent in 2020, pushing 133 million Nigerians into multidimensional poverty, according to the data from the National Bureau of Statistics. Likewise, economic growth has not been inclusive, and Nigeria's economy faced key challenges of lower productivity, and the weak expansion of sectors with high employment elasticity.

Until the focus on the non-oil export by the last administration, another key feature of Nigeria's economy in the last seven years has been the shift of economic activity towards agriculture and a slowdown of the manufacturing sector. As a share of GDP, agriculture expanded from 23 percent in 2015 to 26 percent in 2021, while manufacturing declined from 9.5 percent to 9 percent respectively. During this period, non-oil exports as a share of non-oil GDP averaged 1.3 percent while manufactured goods as a share of total exports remained low at 5.2 percent in 2021. Part of the problem facing the economy is the neglect of the manufacturing sector. Essentially, Nigeria is not producing enough, for both local consumption and export.

The consequences of having a weak manufacturing base for a country with such a large population are evident in its foreign exchange shortages, limited number of jobs created to accommodate workforce entrants, and an import bill that can neither be met (nor be sustained) by the export earnings.

Having said all this, again, what is evident in the few weeks into the present administration of President Tinubu is genuine sense of nationalism which encourages pride in the national achievements, and which also requires oneness, the goodness of the nation and its people, the unity in diversity and respect and love.

> The consequences of having a weak manufacturing base for a country with such a large population are evident in its foreign exchange shortages...

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